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GATT Ruling Favors Latin American Banana-Producing Countries

PA2805170193 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 25 May 93

[Report by Dario Arizmendi from Brussels—live]

[Excerpt] [passage omitted] In a historic and momentous decision, the General Agreement on Tariffs and Trade's [GATT] panel of arbiters, based in Geneva, has just decided to grant Colombia, Venezuela, Guatemala, Nicaragua, and Costa Rica, assisted by Ecuador, Panama, and Honduras, a point of victory in a legal battle that began eight months ago as part of the so-called banana war. I repeat: the main banana-producing countries have won the first of two lawsuits against the very powerful EC, which has a unique market of 345 million people.

The decision is not yet official; it will be announced formally on 2 June because the parties are only now being notified and then they are each allowed approximately 10 days to answer charges.

It is the first time that the so-called South-South countries have managed to put across their legal, diplomatic, and political arguments to the so-called North-North countries.

This is a momentous decision, just when EC banana import quotas are to take effect on 1 July. [passage omitted]

Japanese Officials, Caribbean Representatives To View Regional Assistance

FL0406173693 Bridgetown CANA in English 1600 GMT 4 Jun 93

[Text] Port of Spain, Trinidad, June 4, CANA—Four officials representing the Japanese Government will hold talks here from Saturday [5 June] with representatives from eight English-speaking Caribbean countries on Tokyo's Official Development Assistance (ODA) programme to the region.

Japan's embassy here said the officials from the Japanese Foreign Ministry and the Japan International Cooperation Agency (JICA) will also consult with the government representatives from Trinidad and Tobago, Barbados, St. Vincent and the Grenadines, Dominica, Grenada and St. Kitts and Nevis about promoting the smooth implementation of ODA.

The embassy said the mission would "explain in detail" Japan's ODA programme, "particularly in the area of technical cooperation."

The mission comprises:

Ken Kinoshita, head of mission - director, Planning and [word indistinct] Department, JICA;
Tsuyoshi Kurokawa - official, Ministry of Foreign Affairs (Development Cooperation);
Yasuo Fukai - JICA (Cooperation Planning); and
Kimio Abe - JICA (Technical Cooperation).

OAS Recommends Suspension of Petroleum Supply to Haiti

PA0706134893 Mexico City NOTIMEX in Spanish 0211 GMT 7 Jun 93

[Text] Managua, 6 Jun (NOTIMEX)—The OAS on 6 June recommended that its members suspend the supply of petroleum and its byproducts to the de facto regime in Haiti and prohibit commercial flights to Port-au-Prince.

A resolution issued on the night of 6 June explained to the OAS member countries that are adopting measures to strengthen the embargo that the implementation of special sanctions "will be an important complement to the current negotiating process."

It stressed that "all OAS member nations need to strengthen these sanctions, especially regarding the supply of petroleum and its byproducts and the suspension of commercial flights" to the Caribbean island.

The United States has decided to reinforce the sanctions by freezing the accounts of officials linked to the regime and the Haitian coupist officers, in addition to prohibiting their entry into that nation.

BARRICADA Notes Suspensions

PA0706195193 Managua BARRICADA in Spanish 7 June 93 p 12

[Report by David Gutierrez Lopez]

[Text] On the night of 6 June the OAS decided to suspend oil shipments and commercial flights to Haiti, hardening its sanctions against the coup perpetrators, and demanded the return to power of deposed President Jean-Bertrand Aristide.

No OAS member country will supply oil or oil byproducts to Haiti and airlines will suspend flights to Haiti. These sanctions constitute the toughest commercial blockade against any country for the past few years.

On 6 June Aristide demanded the withdrawal of the military officers involved in the coup, headed by General Raoul Cedras, in a speech before the OAS Foreign Ministers Ad Hoc Commission attending the 23rd OAS General Assembly. Aristide protested the serious violations of human rights suffered by thousands of Haitians who are in jail or are being persecuted.

Aristide, who offered the officers political amnesty, proposed the creation of a national police force and the reorganization of military commands in a country where only 5 percent of the population has access to basic services.

After four hours of debate, in a 10-point document the OAS foreign ministers approved the expansion of sanctions against the Haitian regime.

OAS Secretary General Joao Baena Soares described the current political crisis in Haiti as "grave," and called for a prompt solution for a "return to democracy."

Dante Caputo, who heads the OAS and UN negotiating commission, said on the night of 6 June that Aristide will be the first deposed president in Latin America and the Caribbean to return to power after 20 months of forced exile.

Caputo made three proposals regarding the Haitian situation, including a return to power of President Aristide and the constitutional government; a peaceful transition process through dialogue with Haiti's political parties, and a final, stable, and durable solution after the officers involved in the coup leave power.

Nicaragua called for hardening sanctions against Haiti to facilitate the return of democracy and of President Aristide, Deputy Foreign Minister Jose Pallais stressed.

Clifton Wharton, U.S. representative to the OAS, said his country has already spent 50 million dollars in humanitarian aid (food) for Haiti, an reiterated the intensification of sanctions against the regime approved by President Bill Clinton on 4 June.

On 7 June the delegates to the OAS General Assembly will discuss the situation in Guatemala, recently shaken by a self-inflicted coup and an effective blow against former President Jorge Serrano. Guatemalan Deputy Foreign Minister Manuel Villacorta was expected to arrive on the night of 6 June.

OAS General Assembly Held in Managua 6 Jun

PA0606195393 Paris AFP in Spanish 1823 GMT 6 Jun 93

[Text] Managua, 6 Jun (AFP)—The inter-American community meeting in Managua for the OAS General Assembly reacted positively on 6 June to the election of Ramiro De Leon Carpio, former Guatemalan human rights ombudsman, as constitutional president.

The general satisfaction perceived among the delegations made it apparent that the foreign ministers' ad hoc meeting on Guatemala will not adopt harsh measures against Guatemala, but specific immediate reactions remain unavailable.

"We welcome this legal and peaceful solution" of the crisis, Bernard Aronson, U.S. assistant secretary of state for inter- American affairs, told the media. The Guatemalan crisis emerged as the result of the 25 May self-inflicted coup by then Guatemalan President Jorge Serrano Elias, who is now in exile.

"We hope to work with this government," Aronson added after stating that it "certainly seems" that this election fulfills the constitutionality requirements proposed by Secretary Warren Christopher for any solution in Guatemala.

Similar statements were made by diplomats from Venezuela, Canada, El Salvador, Bolivia, and Costa Rica when they were interviewed prior to the first working meeting of the OAS in Managua.

"We feel encouraged and optimistic" about the process in Guatemala, Costa Rican Foreign Minister Bernd Niehaus said. He stressed the role played by the Guatemalan Armed Forces during the crisis. "We must acknowledge that the Army has acted in accordance with its commitment to democracy. It seems there is a clear desire to return to democratic and institutional rule in Guatemala as soon as possible. That is why we feel encouraged and optimistic," he added.

Barbara McDougall, Canadian secretary of state for external affairs, views De Leon Carpio as a "key respected leader," her spokesman, Scott Mullin, said.

"Guatemala seems to be on a good course. It seems to be a democratic and constitutional process," Mullin added.

Mario Rodon Anaya, Bolivia's ambassador to the OAS, said his country "is very happy." Guido Grooscors, his Venezuelan counterpart, described the election as a "positive sign" but called for caution, indicating that they should wait to hear the report from OAS Secretary General Joao Clemente Baena Soares.

"The Guatemalans have found a constitutional solution and we are very pleased," Baena Soares said when he arrived in Managua from Guatemala, where he met on 5 June with representatives of various sectors for the second time in one week.

An OAS spokesman said that early on the morning of 6 June, Baena Soares met with De Leon, who expressed thanks for the OAS efforts to reach an agreement "through dialogue and consensus."

The OAS spokesman said that Baena Soares and Ecuadoran Foreign Minister Diego Paredes met with representatives of various sectors, including military officers, who expressed their desire to act within a constitutional framework and to uphold democratic institutions.

Baena said he opposes the establishment of sanctions against Guatemala. "In my opinion, democracy in Guatemala must be given a chance," he stated.

Officials Comment on Guatemala, Haiti

PA0706211393 Managua BARRICADA in Spanish 7 Jun 93 pp 1, 12

[Text] The agreement reached to elect Ramiro de Leon Carpio as new president of Guatemala guarantees the return of "constitutional order," OAS Secretary General Joao Baena Soares said on arriving in Managua, where he came to participate in the 23d OAS General Assembly.

According to Baena, the swearing in of de Leon Carpio, who was until recently Guatemala's Human Rights Ombudsman, was possible thanks to the pressure exerted by the Guatemalan people, "one of the most essential elements for the restoration of democracy."

Ecuadoran Foreign Minister Diego Paredes, after arriving in the country on a private flight along with Baena, said: "The new situation proves that the Guatemalan people are very responsible and intelligent because they have resorted to their democratic mechanisms" to restore democracy and progress.

Asked about the Haitian case, the OAS secretary general said at Augusto Cesar Sandino Airport that the foreign ministers have already agreed upon all the measures and all that remains is to implement them.

Baena Soares disagreed with deposed President Jean-Bertrand Aristide, who said the Managua meeting was the last opportunity for the OAS to restore democracy in Haiti.

"The opportunity is up to the Haitian people themselves. They have to resolve it," he said.

At the end of an informal news conference, the OAS secretary general said he does not aspire to be reelected to his post. "I wish to return to my country, to my home," he said amid laughter.

Venezuelan Foreign Minister Fernando Ochoa said he has no view on the subject. "The election will be held next year," he said.

Ochoa also said his country has taught the lesson "that it is possible to resolve a political crisis through a constitutional process.

"The Venezuelan people have shown a great maturity and faith in their democratic institutions (following the departure of the now former President Carlos Andres Perez) and have given themselves a new president," he said.

OAS Secretary General Gives Speech

PA0806032793 Managua Radio Nicaragua Network in Spanish 1400 GMT 7 Jun 93

[Speech by OAS Secretary General Joao Baena Soares at the inauguration ceremony of the 23d OAS General Assembly at the Ruben Dario National Theater in Managua—live]

[Text] Nicaraguan Foreign Minister, Messrs. Foreign Ministers and delegation chiefs, Nicaraguan authorities, ladies and gentlemen, friends: My respectful and cordial greetings go to Madame President Violeta Barrios de Chamorro, whose presence enhances and honors this inaugural session of the 23d ordinary period of sessions of the OAS General Assembly. Our gratitude to Madame President, her government, and especially to Foreign Minister Ernesto Leal for his steadfast and efficient work in organizing this meeting.

We are profoundly grateful to the noble and courageous people of Nicaragua for the splendid welcome given to

us. I also greet with high regard the Foreign Ministers, heads of delegations, who are attending this lofty forum for reflection and decision during a time of opportunity and challenges for the American nations. For the third time in the past eight years, Central America is the generous host of the General Assembly. The presence of the representatives of the American governments constitutes a testimonial of support by the countries of the hemisphere to the process of a firm and lasting peace contained in the Esquipulas Agreements and of national and Central American perseverance to build democracy.

OAS cooperation with Nicaragua dates back to its presence at the dialogue that took place during the Sapoa Agreements and later in the establishment of an electoral observers mission to be present during all phases of the process that culminated with the election in February 1990 of the government that democratically rules the country's destiny. The OAS backed the negotiations to demobilize the former Nicaraguan Resistence [RN]. After completing this task, this organization began to conduct through the work by the OAS International Commission of Support and Verification [CIAV] multiple activities to contribute to national reconciliation. In its most recent phase of cooperation with Nicaragua, the OAS began a program to remove mines to eliminate one of the last consequences of the fratricidal war that the will and persistence of the heroic Nicaraguan people has left behind forever.

The OAS commitment to the Central American process shows that regional organizations hold a privileged position to contribute to attain and strengthen democracy, peace, and security. The political modernization of the OAS, which began in 1985 with the adoption of the Cartagena de Indias Protocol, has given its actions a new dimension that is broader and more profound. There is no need to insist before you, in recounting the activities that the OAS has observed—16 elections in 12 member states in the past four years—that the OAS has defended democratic processes when they were arbitrarily and abruptly suspended, encouraged national reconciliation and consolidation of peace and democracy, and implemented programs to strengthen democratic principles and institutions. I do want to point to something that is significant, novel, and constructive: the attitude of solidarity of the member states in supporting and defending democracy. That attitude is, in turn, the product of the standardization of democracy in the hemisphere and is a propitious omen for its consolidation. This same solidarity has to increase to prevent the repetition of deplorable events that have harmed democratic life in some nations of the hemisphere, and to face with determination the scourge of poverty, terrorism, and violence to back the democratic culture and avoid the abuses of power that disrupt institutional order.

We are living in a world that is changing, that lacks balance, and is in a state of agitation due to long dormant and repressed conflicts that are disintegrating the unity of a number of states in many regions. The hemisphere, by contrast, is trying to [word indistinct] freedom and peace, so they can be the heritage of citizens' daily lives.

The current period of sessions is taking place within this context of promises and challenges. The General Assembly is meeting under new regulations that enhance the promptness of its procedure and allow the organization to focus its attention and dialogue on important worldwide events and [words indistinct] of inter- American relations.

Regarding the subject matter of our debates, I must point out the relevancy of those issues involving the promotion of democracy through measures to strengthen its defense, the adoption of stimuli to preserve and strengthen its implementation, and particularly the joint effort of member states to achieve our people's full development.

We all know that extensive development is essential to ensure the permanence and improvement of democratic regimes. The OAS must actively and effectively promote an egalitarian process of participative development. We urgently need to incorporate fully almost half the population in Latin America and the Caribbean into society because they lack all the essentials to sustain their lives.

The freedom offered by democracy will not be a reality for everyone until we overcome poverty. We have to get the lower classes of the countries in the hemisphere to participate in the market so that the countries' main economic goal—to contribute to the collective well-being—are met. Production increase is a weak element of progress when it is not accompanied by social justice.

The OAS has a unique and irreplaceable role in the current historic moment in which [word indistinct] stands out. It is, thus, very important that we place a strong emphasis on initiatives to strengthen the organization's institutions, to modernize its operations, to further its legal activities and policies geared to new fields of actions, and to provide it with enough financial resources to effectively carry out the varied and delicate functions entrusted to it by the members states, which are the object of your interest and decision.

I also wish to refer to a matter which, I believe, requires immediate attention: the cooperation between the OAS and the United Nations. The OAS position in the international system in regard to the big options and formidable issues we are to confront at the end of the century will largely depend on the decisions made in regard to this matter.

The issue of cooperation between the United Nations and regional organizations already is being analyzed in that forum. The debates suggest at times modes that if implemented could undermine the autonomy of regional organizations. I feel the discussion of this topic at the OAS to define the terms of that cooperation is also unavoidable.

Almost 50 years ago, the American states contributed the experience of many decades of evolution of inter-American relations to the foundation of the United Nations. Their initiative made it possible to recognize in the San Francisco Charter the existence and validity of regional organizations. Free from the restrictions of the veto right, regional organizations have provided valuable cooperation in maintaining peace and international security.

The OAS Charter confers upon the General Assembly the power to strengthen and harmonize cooperation with the United Nations and its specialized agencies. There is justification for this explanation. In many cases, the coordinated efforts by the two organizations can be more effective than the isolated initiatives of each in responding to the dynamic conditions that prevail today.

The definition of clearly marked parameters would allow efficient and fruitful cooperation, within the framework of the provisions of the charters of the two organizations that are reciprocal, maintain their respective autonomies, and recognize the existence of many common goals and the diversity of competition. The powers of regional organizations are conferred upon them by their charters and can only be modified by the state members in the sphere of the respective organization.

The constantly changing international situation demands reform of the international organizations' charters. The OAS has adapted to the demands of the hemisphere's reality by modifying its charter according to established and accepted procedures. This is the appropriate way to act. Conversely, the creative interpretation of the texts of international accords is a risky action which may lead to undesirable results.

The protection of regional organizations's character guarantees their full contribution to whatever cooperation is agreed upon. The OAS capability to contribute to the achievement of UN goals is part of the characteristics that define its identity. The OAS is an organization made up democratic governments, its actions are guided by the legal equality of its member states. It is also democratic; and it has a strong tradition in the defense of peace and a vast knowledge of the reality that prevails in the Americas. The organization will contribute these characteristics to any joint enterprise it embarks upon with the United Nations.

Madame President, Messrs. Ministers, Messrs. Heads of Delegation, Friends. The OAS instruments and actions have been strengthened by its member states; and it will cooperate in the consolidation of democracy and the promotion of overall development in the hemisphere.

I wish and predict the best success for our deliberations, which shall result in the guidelines for future OAS actions. This will strengthen its efforts in the search for peace, democracy, and development—the promotion of which is entrusted to it in the charter. It will define with renewed strength the place it deserves in the international community.

I quote Ruben Dario in his homeland, not due to rhetoric but because his everlasting words emphasize the spirit of solidarity which unites us: Our people are people united by their hope, work, and peace. Do not search for darkness; do not seek chaos; and do not sow with blood our (?sacred) land. Thank you. [applause]

Nicaragua's Chamorro Opens Assembly

PA0806014093 Managua Radio Nicaragua Network in Spanish 1415 GMT 7 Jun 93

[Speech by Nicaraguan President Violeta Chamorro to open 23d OAS General Assembly at Ruben Dario National Theater in Managua—live]

[Text] OAS Secretary General Joao Clemente Baena Soares; Assistant Secretary General Christopher Thomas; ministers and delegation heads; observers and special guests; ladies and gentlemen:

In the name of the Nicaraguan people and myself, I hereby warmly welcome you to Nicaragua and express our deep satisfaction with the OAS General Assembly's 23d regular period of sessions being held in Managua. The selection of Nicaragua as the host country for this important continental event also represents a recognition of both Nicaraguan efforts in favor of democracy, pacification, and reconciliation, and the OAS and its valuable work in Nicaragua.

My country's recent history has been a firm tie between the OAS and Nicaraguan process. The OAS approached the Nicaraguan situation during the 16th consultation meeting, held in June 1979, while the country was immersed in a bloody civil war, which inflicted enormous suffering and losses. The groundwork that should inspire a solution of the crisis was laid during that consultation meeting. We were convinced that the solution of Nicaragua's serious problem was up to the people alone. This groundwork consisted of establishing a genuinely democratic government, which should guarantee peace, respect for human rights, freedom, and justice. This government should also be the result of elections that represent the Nicaraguan people's free will. The 17th consultation meeting remained open during the entire next decade. It was possible to close it only when the government that I represent, elected by the Nicaraguan people's free and secret vote on 25 February 1990, asked for such a closure because the Nicaraguan people themselves had found a solution to the problems that caused the conflict, inspired in the principles expressed in the meeting.

Mr. President: The OAS contribution to the pacification process in Nicaragua is an experience that opens new possibilities for the OAS role on behalf of the member states. OAS participation in the Nicaraguan electoral process in 1990 established a very important precedent. For the first time in History, a delegation of observers did not limit its activities to the final stage of an electoral

process but covered all the stages of this process, including the creation of a favorable climate for its development.

Following the victory in the 25 February 1990 elections, my government found itself facing the huge task of demobilization and disarming of the former members of the Nicaraguan Resistance [RN] with the help of the International Commission of Support and Verification [CIAV]. Never before in history had the OAS played such an important and big role in a peace-making process. The work of the organization was not restricted to that phase of the process; it continued into the process of verification of the rights and guarantees of the demobilized to join civilian life. This process was as important as the demobilization itself.

Today we have a tripartite organization in which the CIAV and OAS participate as a demonstration of the organization's commitment to the total pacification of my country. Likewise, the role played by the Inter-American Defense Board [IADB] in the mine-clearing tasks has expanded the contribution this organization provides to interested countries.

Dear friends: Our organization is no longer the forum of the past decades. We are an organization revamped by history and the force of transformations that have taken place around the world and in our own continent. The OAS has stopped being an organization that contemplates only the East-West confrontation and the rivalries of the cold war on the American stage. Our organization has left rhetoric and solemn pronouncements behind and has become involved in coordinated and effective actions for the good of the member states. The OAS of our times is the reflection of the universal current of cooperation among states. The days of the OAS at the service of ideological confrontations are over; today we have an OAS at the service of democracy and development of our peoples.

Dear representatives, friends: The organization can no longer restrict its role to observing electoral processes and actions when coups occur. The role of the OAS today is to strengthen the democratic institutions in those countries that sovereignly request it and in those areas determined by each of the member states. The OAS is not only an organization that criticizes the vulnerable aspects of democracy, but also works to perfect democracy by cooperating with the member states to consolidate the democratic institutions and improve the way the states handle the problems of the people.

Human rights must also be incorporated in the picture of promoting human dignity. Currently, human rights groups only hear charges on violations of basic rights. Rather than pinpointing mistakes, we want a human rights policy that will prevent and strengthen the country's capacity to understand human rights. This should be promoted and our organization cannot remain impassive to or paralyzed in the peace-making processes. It cannot refuse to participate in something that has been proven to be possible and good.

The name and prestige of the organization can be strengthened with its contributions to reconciliation and dialogue respecting the principle of nonintervention in those countries that are victims of intolerance and polarization. The organization can no longer view the space of Inter-American coexistence through the values of formal democracy that fulfills its duty by holding free and period elections. Today, the new name of the revamped OAS demands a more active role in the search for development which is the pillar of democracy.

We hope to achieve a stage of development, the primary goal of which will be to overcome the critical poverty that plagues millions of Latin American and Caribbean people. The recent reforms to the OAS Charter translated into a juridical commitment the century-long clamor of our peoples.

Dear friends, undoubtedly, the challenge of this past decade is to enter the new century with a creative and dynamic inter-American organization that will fulfill an agenda in which social development will occupy a predominant role. The creation of vast spaces in economy, free trade, and customs requires an in-depth review of the role of the organization in this new stage. The struggle to enter the new century with common democratic values for the hemisphere, without constitutional upsets or coups d'etat, must be a priority objective in our agenda.

We can, however, start off with a hopeful beginning. Our organization has been capable of changing and adjusting to the new times. We have an OAS, which shows strong signs of renewal, which is capable of assuming tasks as never before, with new and audacious endeavors, setting aside timidity, which hindered our organization so many times. This demonstrates that it is possible to adapt a new role for the OAS and place it at the height demanded by the new circumstances under which we are living.

Dear friends, Nicaragua, just as the OAS, is a country that has been renewed by transformations. We lived with a past that had to be overcome necessarily in order to pave a new path of hope. The results of the electoral process in Nicaragua three years ago demonstrated that we were capable of changing our course toward destinies of harmony and peace. The Nicaragua of yesterday had an Army of 86,000 troops and thousands of weapons in the hands of civilians. The renewed Nicaragua of today has an Army of 15,200 troops, which is the smallest of Central America. Its inventory of weapons and troops has been turned over to the United Nations and to the OAS. It has also submitted a report on the transfer of weapons carried out, in keeping with a purely transparent policy. Over 122,000 weapons have been seized from civilians and destroyed.

The renewed OAS of today is also building a new model of security. The Nicaragua of the past had scenarios of bloodshed, of warlike confrontations between brothers.

The peaceful Nicaragua of today is working to reintegrate over 22,000 former combatants and their relatives into civilian and productive life. The OAS has participated intensely in these efforts, which mark a new path for the organization. The Nicaragua of the past was not familiar with dialogue or understanding among brothers, who were distanced as a result of the ideological polarization.

This Nicaragua, which welcomes you all warmly, is working for its own national reconciliation. It is striving to improve its democratic institutions and open its markets, as well as find a way of understanding to forever overcome intolerance and monologue.

This General Assembly, then, is not being held in a foreign country. To some extent, our efforts and achievements have been accompanied constantly by the organization and its secretary general, Joao Clemente Baena Soares. As in a mirror, the OAS can see its own achievements reflected in our process. Central America in general is always present in our organization's agenda. This is why I wish to reiterate in this forum that I have followed closely the Nicaraguan people's distress, struggle, and hope. Like the organization's, our commitment for democracy, respect for human rights, and the people's will remains unchanged and firm.

At the end of my term, the organization will again witness the transfer of the president's ribbon from the first civilian president elected by the people in our history to another citizen, also elected by free and secret vote. While we await that day, I am sure I can continue to rely on OAS support. With optimism in the future, with our eyes set on the ideals of the democratic commitment that we share, I hereby declare the 13th regular period of sessions of the OAS General Assembly opened. It is a great honor to have the OAS member states' delegates as guests in this capital city. Thank you. [applause]

Cuba

International Convention on Tourism Held 4 Jun

Castro Meets With Participants

FL0506011393 Havana Radio Rebelde Network in Spanish 2300 GMT 4 Jun 93

[Excerpt] The 14th International Convention on Tourism concludes tonight and this afternoon Commander in Chief Fidel Castro, president of the Councils of State and Ministers, met with convention participants. Fidel answered many questions on different topics. He assured them that there is no danger of contagion with regards to the epidemic neuropathy and of course he spoke about tourism. [passage omitted]

Castro Cited on 'Prioritized Fields'

FL0506145493 Havana Radio Progreso Network in Spanish 1000 GMT 5 Jun 93

[Text] During a meeting with participants of the 14th International Conference on Tourism in Varadero, Cuban President Fidel Castro said that following the disappearance of the socialist bloc and the strengthening of the U.S. blockade, Cuba is focusing its efforts on prioritized fields of economic development.

Fidel said that one of these fields is tourism, where there are opportunities to invest $20 billion in outstanding beachfront areas alone. Fidel also said that foreign companies are investing in Cuba because they have found advantages that do not exist in other countries, such as fewer taxes, rapid return on investments, and no danger of social change because those changes have already occured in Cuba.

Fidel added that investments can be made in oil, mining, and practically every field of the economy because Cuba needs capital. If there are businessmen interested in supporting Cuba, there is no reason to reject them. Fidel stated that there is no other alternative, no other option but to use foreign capital, always on the basis of mutual benefit.

Conference Concludes 5 Jun; Official Remarks

FL0506144993 Havana Radio Rebelde Network in Spanish 1155 GMT 5 Jun 93

[Text] The 14th International Conference on Tourism has concluded in Varadero. Its goals were to present and promote the Cuban tourism industry and finalize agreements for the 1993 to 1994 winter season. Abraham Maciques, Cubanacan S.A. president, spoke on the possible effect of international tourism on Cuba's ideology.

[Begin recording] I believe that in general, the influence is positive. This does not mean that certain negative effects might not be felt, but it would be completely absurd for us to uphold a policy of self-blockade on tourism development when it is well known that many countries, even capitalist countries, have developed as a result of tourism. This is the case with Spain. Every country with conditions for tourism is intensively exploiting them. Why not Cuba?

In addition to its economic influence, tourism has an important impact from a social standpoint as a source of employment for thousands of workers. I also believe tourism plays an important role—over 500,000 tourists visited Cuba in 1992, and more than 640,000 are expected in 1993—in that tourists can see for themselves what is happening in Cuba. This undoubtedly helps to counter the anti-Cuba campaign abroad. I also believe tourism can play an important role for peace because as cultural exchanges occur, people get to know one another. I believe that in general, the balance is quite positive. [end recording]

Approximately 1,100 delegates from 32 countries participated in this conference.

Castro Remarks on 'Present Difficulties'

FL0606225893 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 Jun 93

[Passages within quotation marks recorded]

[Text] Commander in Chief Fidel Castro held a fraternal meeting with participants to the recently concluded 14th Convention on Tourism Varadero-93. Fidel spoke for 90 minutes with those present in the conference room of the Melia Varadero Hotel. The exchange included tourism, the environment, foreign investments, politics, optic neuritis, and Cuba's current social and economic situation among other subjects. Regarding Cuba's economic situation, Fidel spoke of our present difficulties:

"They became bigger the moment the Socialist Bloc and the USSR disappeared. We had very good trade relations with them. The blockade existed all along but the economic relations with the Socialist Bloc and the USSR were advantageous for Cuba and helped in resisting the blockade.

"Without being a soothsayer, I can tell that the coming years will be basically years of hard work and sacrifice because circumstances demand it. We even have had to experience a drop in living conditions as a result of all these problems. However, for 30 years we had improved our living conditions. I can tell you, to stress the merit and honor of our people, that they have been able to resist difficult conditions. This speaks loudly of their dignity, unity, and courage. [applause]"

In the meeting with the participants to the tourism convention, Fidel also answered questions regarding foreign investment opportunities.

"You will see there are more advantages in Cuba than anywhere else. The return on the investment is much faster. There are less taxes than anywhere else. Investing in Cuba also offers a particular advantage—there is no danger of social changes because social changes have already taken place. [laughter] If you invest in a capitalist

country, there is the risk of a social revolution turning it into a socialist country. [laughter] However, if you invest in a socialist country, your only risk is that it might later become capitalist and nothing happens to your investment then."

In response to a question regarding the possibility of U.S. tourists visiting Cuba, Fidel said that it is the U.S. Government who forbids it and that Americans would be treated with warmth and respect in Cuba.

"You will not hear a single derogative word against Americans in Cuba. Our country is characterized by respect and good treatment of Americans. Every so often you hear Yankee but it is in politics—when we speak of Yankee imperialism."

Fidel said that the epidemic neuropathy is not contagious and gave a detailed explanation of efforts to find its cause and treatments; an effort in which numerous Cuban and foreign scientific centers are involved.

"I can tell you that in the past weeks the number of cases have dropped. I can affirm—this is my personal impression - that tourists are not at risk at all. If they were at risk we would tell them, no matter the cost."

Remarks on Readjusting Foreign Relations

PA0706143293 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 7 Jun 93

[Report by Juan Manuel Pereira from Varadero, Cuba; passages within quotation marks recorded]

[Text] Cuban President Fidel Castro Ruz recognized that in view of the dramatic crisis on the island, the Havana government should readjust its relations with other countries.

Castro Ruz said that Cuba needs help but it will not give up its principles.

The Cuban president said Cuba will overcome the economic blockade it has been facing for the past 30 years without giving up its principles. He made the statement before 1,000 delegates attending the 14th International Tourism Convention, Cuba '93.

[Castro] "For example, we have various kinds of minerals. There are many areas in which foreign countries can invest their capital in Cuba. Their investments do grow."

The Cuban leader spoke with 70 journalists from three continents for one and one-half hours. He said Cuba will have to redesign its relations with Europe and the developed world without fearing internal social changes.

[Castro] "We will be very pleased if the treaty is beneficial for Mexico and if it makes progress, because the more the Mexicans consume, the more Cubans will be able to export to Mexico and the more Cuba will be able to import. [laughter]"

Castro Ruz said this tourism convention is an example of economic unity in Latin America.

[Castro] "We hope these meetings become increasingly more effective. We hope more specific problems can be discussed and that solutions to the great problems our hemisphere faces can be found. From my point of view, working for the unity and integration of Latin American countries is the most important thing. We will have no future whatsoever if we do not integrate. We hope to become a giant community like other areas."

Castro expressed regret at the political events in Venezuela and Guatemala.

[Castro] "To tell you the truth, we are sad to see these events occurring because we would like greater stability and greater peace for all the brother countries of Latin America. That is why we are sad to see these events, which in some way disturb harmony and peace."

Castro also said that no matter who wins the Spanish elections, there is no reason for a change in relations with Cuba.

Sugar Exports Suspended 'Until Further Notice'

PA0406150593 Paris AFP in Spanish 1146 GMT 4 Jun 93

[Text] London, 4 Jun (AFP)—The Cuban state enterprise Cubazucar announced in London on 4 June that Cuba is invoking overriding factors for all its sugar export contracts for the 1992- 93 season.

Cubazucar spokesman William Parra said that due to a slow harvest and problems with transporting its product, Cuba has been forced to suspend sugar exports until further notice.

The measure means that "clients will have to wait longer for the delivery of Cuban sugar at least until official figures on the Cuban harvest and export potentials are known," the spokesman said.

The company warned by telex on the morning of 4 June that due to reasons beyond its control, Cuba was forced "to invoke overriding factors and to reduce substantially its export commitments."

The measure is applied to all sugar contracts, including those signed with Russia and the PRC.

Rains Cause Record Time Loss at Sugar Mills

FL0406213193 Havana Radio Reloj Network in Spanish 1932 GMT 4 Jun 93

[Text] During the past 10 days of the sugar harvest, the average times lost by the sugar industry are the highest reported during the present harvest. In Camaguey Province, the cumulative amount of time lost to rain reached 98 percent at the two mills in operation, while in Ciego de Avila (?it reached) 61 percent.

In Camaguey, only the Brasil and Noel Fernandez mills still have a possibility of continuing operations, in Ciego de Avila, only the Orlando Gonzalez and Ecuador enterprises.

According to the latest harvest reports, the first mills that may be able to join in the grinding are in Matanzas and include the Espana Republicana, Cuba Libre, and Puerto Rico Libre mills.

* Sugar Workers Enjoy Special Privileges

93CA0117B Havana JUVENTUD REBELDE in Spanish 18 Apr 93 p 4

[Commentary by Esteban Ramirez Alonso]

[Text] Someone may be surprised if I say there are over 2,000 people in Camaguey who enjoy special privileges.

Most of them are men—and some women—whose needs come first from every imaginable point of view.

If there is no fuel at home for cooking, that is taken care of. If the roof needs repair, if a family member has to go into a hospital, a wedding has to be planned, a birthday celebrated, arrangements made for a trip....

In addition, their families have a card giving them priority in service facilities for repairing household appliances and a telephone number to call in any emergency.

These over 2,000 privileged people are the mainstay of the municipality's economy—the sugar harvesters.

This program is based on the principle that these sugar harvesters are almost always heads of households, and cannot be distracted by domestic problems. They cannot leave their fields to solve these problems, especially now when, because of the shortages we are suffering, any situation is very hard to deal with.

This represents a substantial change in the workers' assistance program, which some believe is only a matter of food, drink, and more money.

Of course, those things are also needed—proof that they are not being overlooked is that the last shift in Camaguey restaurants on Saturdays is reserved for sugar harvesters. That has traditionally been the easiest way, requiring little imagination, to afford full recognition and incentive for those who, day after day, wage the hardest economic battle.

The Camagueyans have never been lukewarm. At first it was very hard to get this program accepted; it even took the party's intervention to budge some stubborn leaders. But they knew how to use experience with the workers' assistance groups for members of internationalist brigades and their families, and they applied this creatively to the vital area of the sugar harvest.

Plans were begun for this new approach during the last harvest, but it was in the current harvest season that the program came to fruition, at the very time when economic limitations at first seemed fated to crush any attempt to provide incentives for the harvest workers as had been done in past years.

Reality showed the opposite to be true. And for those who only value material goods, life has again taught them the worthwhile lesson of how much a human being of character values these small things, the assistance provided through the initiative and combined efforts of those who have remained in the background.

It was not by chance that when preparations were made for this difficult harvest, over 50,000 people came to town ready to work (several times more than necessary), nor was it a matter of chance that all this work has brought increased productivity and help to the harvest workers, so it was not necessary to mobilize another 700 men to handle the job, as had been initially expected.

Robaina, Apostolic Nuncio Tour Cienfuegos Province

FL0406185193 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Jun 93

[Excerpt] In the company of Foreign Minister Roberto Robaina, the apostolic nuncio in Havana is touring Cienfuegos Province to meet in person the makers of Cuba's foreign policy—the Cuban people.

Monsignor Beniamino Stella and Roberto Robaina were fully briefed on the cultural, agricultural, and industrial development of Cienfuegos Province. The working meeting between the representatives of the Vatican and the Cuban Foreign Ministry began at the Paquito Gonzalez Pediatric Hospital, which was once a nursing home operated by nuns. Stella was briefed on conditions at the hospital, its extremely low infant mortality rate, and religious services that the parents of newborns are requesting. [passage omitted]

Conclude Tour

FL0606231093 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 Jun 93

[Excerpts] The work trip to the central provinces by Foreign Minister Roberto Robaina and Apostolic Nuncio Monsignor Beniamino Stella has concluded.

Robaina and Stella toured Trinidad in Sancti Spiritus Province. Previously, they had met with residents of a nursing home in Punta Gorda where Alfredo Espinosa, a catholic deputy and president of the Scientific Council on Health in Cienfuegos Province, joined them. [passage omitted]

[Begin Robaina recording] I simply believe that we have to see this as steps of continuity in a foreign policy which every day shows that it has to match its times. Msgr. Stella has been in this post for a short period and in order to understand us better it is preferable for him to become more familiar with us. I believe that through this process we create and strengthen a work relationship. That is all. [end recording] [passage omitted]

Eastern Army Concludes 'Moncada 93' Exercise

FL0406145193 Havana Radio Rebelde Network in Spanish 0900 GMT 4 Jun 93

[Text] The maneuvers carried out by defense units and councils confirmed the dynamism and complexity of the Moncada 93 exercise, which has concluded in the Eastern Army territory. The Revolutionary Navy planning and combat command phases included joint defense, pacification, and navigation exercises aimed at striking enemy targets.

During the two-day exercise, Division Generals Ulises Rosales del Toro, chief of the General Staff of the Revolutionary Armed Forces [FAR], and Ramon Espinosa Martin, chief of the Eastern Army, verified the readiness of the troops, who also demonstrated the cooperation established between municipal defense forces and FAR units.

Isle of Youth People's Government Debate Begins

FL0406150493 Havana Radio Reloj Network in Spanish 1402 GMT 4 Jun 93

[Text] The first regular session of the Isle of Youth People's Government will be held on 4 June. It will debate the people's participation in energy conservation efforts and the people's councils. This meeting starts the process of regional debate by the people's government on these two important issues, which will conclude at the end of June [as heard] with debate at the National Assembly of the People's Government.

The meeting in Isle of Youth will highlight the work of the temporary commissions and regional groups that analyzed the efforts to solve energy problems and the performance of the region's nine people's councils. According to delegates participating in these preliminary analyses, an increase in popular participation in solving common problems will be advocated.

* Low-Cost Housing Materials Include Soil

93CA0117C Havana JUVENTUD REBELDE in Spanish 18 Apr 93 p 7

[Article by Jose Alejandro Rodriguez]

[Excerpts] In the years when identical prefabricated houses were put up all over Cuba, the idea of building houses of soil would have seemed an absurd backward-looking affectation to any builder.

But in the special period, with the severe shortage of construction materials and energy resources, the building of these so-called low consumption houses using a variety of very old traditional techniques makes strategic sense. Or are we just going to sit back and do nothing as our housing needs and frustrations accumulate?

Architect Zelma Diaz, secretary of the CODASE [Commission for the Development and Application of Stabilized Soils], considers this not only adapting to the needs of the moment or a marginal alternative in housing materials, but instead a complete approach to construction with many advantages, which for some years has been under reconsideration worldwide. [passage omitted]

During the first year the low consumption housing program has been in effect, a year that concludes in May, 11,300 houses will be completed all over Cuba. The provinces that have been most enthusiastic about this initiative and grasped its revolutionary essence are: Holguin, Granma, Las Tunas, Ciego de Avila, Cienfuegos, Camaguey, and Guantanamo. The organizations participating include MINAZ [Ministry of the Sugar Industry] and the EJT [Youth Labor Army], primarily in the Turquino Plan; the MINAGRIC [Ministry of Agriculture] is moving in this direction.

The decentralized and creative concept underlying this system is praiseworthy; it lacks the traditional dogmas in prefabricated housing programs. They ignored local characteristics and standardized all over the country a monotonous and not very imaginative housing pattern, no matter whether in a neighborhood in the capital or in the Sierra Maestra.

Today there are hundreds of different housing models using stabilized soil techniques. No patterns are imposed; each region uses the materials it has available; some are experimenting with bamboo as a replacement for steel, others are copying Roman cement by mixing lime with rice ashes or zeolite. In each locality architects and planners design housing differently. Another advantage is that this concept allows ample room for creativity and aesthetic solutions with many variants.

Even so, the route is not and will not be easy. The first people who have to prepare themselves mentally for this are construction specialists and technicians. University studies and technological training programs, designed for other situations, do not even include these methods. Furthermore, lack of understanding and prejudice in organizations, institutions, and individuals still prevails, where people remain rigidly attached to traditional housing programs and continue to wait for resources which right now are not to be found.

Juan Antonio Rosas, head of the Construction Department of the Central Committee of the party, and a strong fan of low consumption housing, says this battle is not going to be won with decrees or directives; experience shows that it will prevail where the people and their local representatives are convinced of its value.

And Zelma Diaz tells me this may be the way to rescue Cuban architecture and "domestic architecture." It has come to stay, she insists.

* Work Center Physicians To Issue Certificates

93CA0117A Havana GRANMA in Spanish 20 Apr 93 p 2

[Article by Silvia Martinez]

[Text] On 1 May Joint Resolution 1/93 of the MINSAP [Ministry of Public Health] and the CETSS [State Committee for Labor and Social Security] will take effect all over Cuba. This implements the regulation covering the issuing and control of medical certificates. It will be done on an experimental basis for one year.

This medical certificate will be a valid document issued by work center physicians who provide complete care of their workers. These certificates are used to obtain monetary compensation under the social security system.

Also valid are certificates issued for ambulatory surgical or emergency treatment, dental and orthopedic treatments, and prenatal care, or other services that require inpatient or outpatient treatment from a health facility.

If the doctor assigned to the work center is absent, it shall be the responsibility of the health area to which the work center is attached to provide medical care to the worker and to issue a certificate attesting to the person's temporary inability to work.

In such circumstances, the worker must present the certificate to the physician at his work center, who will decide if it is appropriate, and, therefore, if it will be accepted as valid by the administration.

When accepting certificates for the purpose of paying benefits for illness, agencies shall follow regulations.

Doctors in work centers will maintain records of certificates, and with the administration, every month will analyze the health status of their workers and the issuing of certificates. During the same time period a similar analysis will be conducted by the management of the social services unit to which the work center belongs.

In municipal and provincial facilities, these reviews will be done quarterly and twice a year, respectively, with the participation of the Departments of Labor and Finance of the people's government.

Also every six months the MINSAP and CETSS, along with the State Committee for Finance and the CTC [Cuban Workers Federation], will review the medical certificates program, its incidence on absenteeism and on social security costs.

When there is no full-time doctor at a work center, MINSAP Resolution 176 remains in effect, calling for the designation of a doctor authorized to issue certificates to workers in those work units.

This resolution seeks to tighten controls governing the issuing of medical certificates. Over 240 million pesos were paid for these benefits in 1992.

The measure will certainly also help to boost the efficacy of medical services on the part of the over 3,000 doctors in work centers, or in the health facilities that provide services in their absence.

Petroleum Shortage, Consequences Viewed

PA0506185593 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Jun 93

[Commentary by Roberto Morejon]

[Text] The periodic electricity outages in Cuban cities and villages represent one of the most visible consequences—although not the only one—of the severe petroleum shortage on the island, which until 1989 received about 13 million tons of petroleum annually from the now defunct USSR.

In 1992, however, private and state Cuban consumers had to adapt to consuming 6.2 million tons of crude oil, nearly half of the consumption in 1989, given the country's financial limitations in buying the difference at current prices.

Cuba's economic difficulties coupled with inclement weather have adversely affected sugar production. The 1992-1993 harvest will be considerably smaller than the preceding year's harvest, which totaled 7 million tons.

The country cannot meet all the requirements of the power-generating plants, which is estimated at three million tons of petroleum; half of the total purchases for 1992.

To give people an idea of the high rate of consumption, it should be noted that 95 percent of the population has electricity, and each Cuban family has the basic appliances of modern life. Other signs of the fuel shortage can be seen in the cities and villages, primarily in the drastic reduction of public transportation. Havana residents alone have purchased 700,000 low-cost bicycles to alleviate the sudden reduction in urban bus service, which is considered the basic means of transportation.

Cuban authorities devised a long-term strategy to face the fuel shortage that includes the promotion of oil exploration by foreign firms. These firms provide technology and experience that does not exist on the island. Such exploration also creates conditions for a sustained increase in national petroleum production, which totaled 900,000 tons in 1992. As part of that strategy, the participation of all Cubans in helping conserve all kinds of fuels and fuel by- products in each home, factory, and workplace is fundamental.

Release of Dissident Cruz Valera Viewed

PA0506201893 Havana Radio Havana Cuba in Spanish 0000 GMT 1 Jun 93

[Commentary by Roberto Morejon]

[Text] [Words indistinct] admission by poet Maria Elena Cruz Valera that she was used abroad should prompt the self-styled defenders of human rights in Cuba to reflect, as they have also allowed themselves to be pawns of people abroad who are betting on the return of capitalism to the country. Cruz, who was depicted in the

West as the leader of the Cuban opposition and a poet persecuted for her ideas, faithfully believed in that role but never found sufficient followers.

This woman, whom foreign reporters describe as a dissident leader, was encouraged by those who want to tell the world about the alleged surge of a Cuban opposition movement, something that is nonexistent, because what is real is the support the majority of the electorate gave to the Cuban democratic process.

While trying to play the role expected of her, Maria Elena Cruz Varela violated laws all Cubans have the obligation to observe. In November 1991 she was sentenced to two years in prison for unlawful association and defamation. The time spent in jail allowed her to reconsider her attitude and make an objective analysis of her life. While some foreign columnists stated she was being subjected to electroshocks and other psychological pressure, Cruz pondered her future in her cell and strictly abided by disciplinary measures. She was paroled for good behavior, and in her first statements to the media she outlined the new course her life will take now that she refuses to play the role of alleged victim of the Cuban Government. Thus the myth of the captive intellectual went unexpectedly flat, just as it happened with paraplegic poet Armando Valladares and shifty Ricardo Bofill [president of the Cuban Party for Human Rights]. Sickened by the image created around her, Cruz told the Spanish daily EL PAIS that she refused to have her fate decided for her beforehand. That was sufficient to provoke attacks upon her from abroad. An escalation to that effect is to be expected in view of the magnitude of the frustration of those who had many plans for her.

Russia, Government To Improve Consular Relations

FL0506012093 Havana Radio Rebelde Network in Spanish 2300 GMT 4 Jun 93

[Text] Today in Moscow the Russian Foreign Ministry announced that Cuba and Russia have decided to improve consular relations in an atmosphere of cooperation and mutual understanding.

Havana Radio Notes U.S.-DPRK Talks on Nuclear Weapons

FL0406180893 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Jun 93

[Text] The United States and the DPRK will try to reach an agreement to eliminate nuclear weapons from the Korean peninsula, during the second round of talks being held at the United Nations. Based on statements by representatives of the two sides, Robert Gallucci and Kang Sok-Chu, who stressed the frankness and sincerity of the bilateral talks, it is being said in the corridors of the United Nations that a satisfactory solution will be reached.

Castro Meets With Visiting Art Dealer Rosenberg

FL0506180393 Havana Radio Rebelde Network in Spanish 1700 GMT 5 Jun 93

[Text] Commander in Chief Fidel Castro has met with Alex Rosenberg, a prestigious art dealer and publisher who visited at the invitation of the Culture Ministry. Rosenberg has been conducting an intense effort in favor of U.S. civil rights and the lifting of the blockade against Cuba.

During a fraternal conversation with Fidel, Rosenberg expressed the impressions of his visit to Cuba during which he expanded ties with several well-known artist whose works he has been promoting in the United States. Likewise, Rosenberg touched on the cultural exchange between the two countries and pleasant visits to Cienfuegos and Trinidad where he observed the strength of the arts movement, as well as details of the economic and social development of these provinces.

The meeting was also attended by Culture Minister Armando Hart Davalos, and Omar Gonzalez, Plastic Arts Council president.

Vice Foreign Minister on Trade Exchange Links With China

FL0406214193 Havana Radio Reloj Network in Spanish 1955 GMT 4 Jun 93

[Text] Chinese-Cuban trade exchange is shifting into a higher gear. Pedro Alvarez, foreign relations vice minister for foreign trade, said today in Beijing that Cuba and China are making progress in deepening Cuban-Chinese trade exchange links. Alvarez, who is heading a Cuban delegation to a medical products and equipment fair held recently, thus (?assessed) the results from (Husien), which included making contact with Chinese officials and businessmen.

Alvarez announced said that work is under way to create economic partnerships in both countries. He stressed the receptivity that he encountered in the people with whom he talked, the support of local authorities, which he characterized as contributing to the progress of commercial ties, and other channels for cooperation between Beijing and Havana.

Talks Held With SRV Transportation, Communications Ministry

FL0406181893 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Jun 93

[Text] Measures to resolve maritime freight payments, the repair of Cuban ships in Hanoi, and the possibility of creating a joint enterprise were the issues discussed during a round of Vietnam-Cuba talks in the SRV. Representatives of the Vietnamese and Cuban Transportation and Communications Ministries also exchanged opinions on intensifying bilateral cooperation in these fields.

Latin American Union Officials Meet 3 Jun

Ross Leal Stresses Solidarity

FL0306183293 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Jun 93

[Report by Nelson Notario Castro]

[Text] A few hours after his arrival in Mexico City, Pedro Ross has stressed the spirit of solidarity with the Cuban people and workers that he has encountered in Mexico.

[Begin recording] To give you an example of how Cuba has been received, Salvador Ramos, [word indistinct] international relations secretary, at the welcome session that opened this event, stressed the presence of Cuba and the need for solidarity with Cuba. This gives you an idea of how Cuba has been received. Several union leaders have already talked with us because they want to know how their countries can develop solidarity with Cuba. They want to know what is happening in Cuba and how they can support the Cuban people and workers. [end recording]

Pedro Ross Leal, Cuban Workers Federation [CTC] secretary general and a member of the Politburo of the Communist Party of Cuba and the Council of State [as heard], is in Mexico heading a CTC delegation to an important meeting of Latin American union officials which began on 3 June.

Calls For Unity

FL0406125993 Havana Radio Rebelde Network in Spanish 2300 GMT 3 Jun 93

[Report by Nelson Notario Castro, in Mexico City—live]

[Excerpts] Cuba's call at the meeting of Latin American unionists for the unity of all worker organizations of the continent has received a strong, positive response. Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC] and member of the Politburo of the Communist Party of Cuba [PCC] and of the Council of State, told labor union representatives from 21 countries of the continent—as well as the United States and Canada—meeting here in Mexico that when it is a matter of the very survival of the trade union movement, there is no alternative to identifying with those points of view that coincide with one's own, independently of philosophical, political, or ideological considerations.

Pedro Ross explained that for the workers and populations of our America, there is no way out other than (?unceasing) common efforts.

Cuba's call to unity, made here in Mexico by CTC Secretary General Ross, has received great support. For example, (Cecilia Crespo), international relations secretary of the workers union of the National Autonomous University of Mexico, Mexico's largest and leading center of learning, said in this connection: [passage omitted on recorded statements by (Crespo)]

The work of the commissions began this afternoon. Topics on the agenda are the democratization of development policy, regional economic integration, new technologies and their social and ecological impact, the trade union movement vis-a-vis the challenge to modernize, and the impact of structural adjustment in the agricultural-livestock sector.

In his speech today before the plenary session of this gathering of Latin American unionists, Pedro Ross (?reiterated) that despite the difficulties Cuba is encountering, Cuba has thrown not a single worker out onto the streets, nor has any family been left defenseless; when circumstances force us to shut down a factory, its workers receive a subsidy equal to 60 percent of their salary.

Ross pointed out that the problems under discussion at this meeting differ from the concerns of Cuba's workers, who are fighting to preserve the Revolution's achievements and progress.

Other members of the Cuban delegation to this meeting of Latin American trade unionists are: (Orlando Silva) of the foreign relations department of the PCC Central Committee; Joaquin Bernal Camero, member of the national CTC secretariat; and (Felix Torres), adviser to the Cuban Embassy in Mexico.

Dominican Republic

* Jan-Feb Trade Deficit Totals $261.2 Million

93CA0126A Santo Domingoo EL SIGLO in Spanish 13 Apr 93 p 1-D

[Article by Jose Mercedes Feliz]

[Text] The trade deficit of the Dominican Republic in the month of February continued its upward trend, recording a deficit of $145.7 million for February and a total deficit of $261.2 million for the first two months of this year.

According to the April issue of the publication PRINCIPALES INDICADORES ECONOMICOS [Principal Economic Indicators] of the Central Bank, merchandise exports during last February totaled $32.2 million while imports came to $177.9 million.

It was noted that exports during the months of January and February 1993 totaled $77.8 million, representing a decline of 5.9 percent by comparison with the corresponding period in 1992, when the total for the two months was $82.7 million.

Moreover, imports during the first two months of this year totaled $339.0 million, representing an increase of 22.4 percent by comparison with the corresponding period in 1992, when they totaled $276.8 million.

Sales for the export of sugar and sugar products during last January and February totaled $20.8 million; of coffee and coffee products, $6.7 million; cocoa and cocoa products, $3.0 million; tobacco and tobacco products, $5.0 million; minerals, $17.0 million; and other products, $25.3 million.

By comparison, sales of sugar and sugar products in January and February 1992 totaled $27.5 million; of coffee and coffee products $3.3 million; cacao and cacao products $4.3 million; tobacco and tobacco products $5.0 million; minerals $29.6 million; and other products $14.7 million.

Imports of petroleum and petroleum products in January and February, however, came to $75.6 million; of coal $0.9 million; food products $4.0 million, including vegetable oils and fats purchased by the National Institute of Price Stabilization (Inespre); wheat $6.4 million; and other products $252.1 million.

Meanwhile, imports of petroleum and petroleum products in the first two months of 1992 totaled $58.7 million; of food products 0.8 million, including the vegetable oils and fats purchased by Inespre; wheat $6.8 million; and other products $210.5 million.

According to this publication, merchandise exports in 1991 and 1992 recorded a total value of $658.3 million and $561.9 million, respectively, while imports totaled $1.7288 billion and $2.1781 billion, respectively.

Sales of sugar and sugar products in January 1993 totaled $10.6 million; of coffee and coffee products $3.2 million; cacao and cacao products $1.5 million; tobacco $3.5 million; minerals $18.8 million; and other products $8.0 million.

Meanwhile, imports of petroleum and petroleum products in the same month totaled $27.6 million; of food products $2.8 million, including the purchases of vegetable oils and fats by Inespre; wheat $3.4 million; and other products $127.3 million.

* ONAPRES Reports on Feb Revenues, Expenditures

93CA0126B Santo Domingo LISTIN DIARIO in Spanish 25 Mar 93 p 13

[Article by Jose Romero]

[Text] Fiscal revenues in the month of February totaled RD$1.448 billion [Dominican pesos]—surpassing the figure for the previous month—for a cumulative total of RD$2.841 billion for the first two months of the year.

According to the monthly report published by the National Budget Office [ONAPRES], revenues contributed by the General Directorate of Customs—the principal agency for collection—increased from RD$556 million in January to RD$663 million in February.

Income tax collections increased from RD$327 million in January to RD$331 million in February; revenues from the Internal Revenue office decreased from RD$177 million in January to RD$161 million; revenues from the National Lottery increased from RD$20 million in January to RD$41 million, and revenues from the National Treasury decreased from RD$311 million in January to RD$250 million in February.

In February, RD$32.7 million was allocated to a reserve to be used for payment of the external debt and as a subsidy for liquefied gas.

In the same month, external revenues totaled 3 million pesos.

According to the monthly data published by ONAPRES, the allocation of public expenditures for priority requirements included RD$39.8 million to INDRHI [National Institute of Water Resources]; RD$31.7 million to INAPA [National Institute of Drinking Water and Sewage]; and RD100 million to the Santiago Waterworks and Sewage Corporation.

In addition, RD$12 million was allocated to the Agrarian Institute; RD$10 to the Farm Bank; and RD$30 million to the State Sugar Council.

Other allocations included RD$277.8 million to the Secretariat of Public Works; RD$36.7 million to the Office for the Coordination and Control of Public Works; and RD$70 million to the Office of Supervising Engineers of Public Works.

In addition, RD$247.2 million was allocated for personal services.

* Agriculture Hit by Investment Capital Shortage

93CA0126C Santo Domingo EL SIGLO in Spanish 1 Apr 93 p 1

[Article by Marino Zapete C.]

[Text] The illiquidity that affects the Farm Bank [Bagricola] and the State Sugar Council [CEA] is provoking a situation that is dangerous for Dominican agriculture, according to reports from various sources connected with agriculture and cattle raising.

Yesterday morning the Association of Manufacturers and Importers of Agricultural Chemical Products (AFIPA) stated that its members will not ship producer goods on credit to the Farm Bank nor to the CEA because of the large sums that both state agencies owe them.

The measure affects all agriculturists who receive agricultural chemicals through the medium of order-letters [cartas-ordenes] from Bagricola, and also those sugar planters who have the CEA as their guarantor.

An AFIPA statement declares that the suppliers have found themselves compelled to halt the delivery of

products to the growers in view of the fact that the producer goods shipped to them on the basis of the order-letters have not been paid for.

"Bagricola's current indebtedness to the members of AFIPA in the form of order-letters that have been honored but are awaiting payment exceeds 50 million pesos. For this reason, our companies have ceased to consider these letters as viable instruments of commercial credit," the statement says.

The statement adds that "the Farm Bank is an indispensable entity for the nation's agricultural and livestock production, and its credibility and solvency are essential to ensure the normal development of the sector. We are therefore asking the government to assist in resolving this situation, which is keeping the rural areas in a state of paralysis."

The situation is worse where the CEA is concerned, because no one can say with certainty when it will pay the massive debt of more than 40 million pesos that it contracted to acquire producer goods.

For months not a single sack of fertilizer has been applied to the cane fields, because the suppliers are not willing to continue shipping products to the CEA.

For his part, the engineer Manolo Tavarez Mirabal, president of the Association of Rice Factors [ADOFA], told this newspaper that the situation of illiquidity among the rice growers—a situation caused by the government—threatens the coming harvest.

He said the fact that the growers have gone into debt to plant their crops is to no avail if the producer goods they need for their planted fields are not forthcoming.

He explained that the situation is critical because these products must be applied to the plantings at the right time or the crops will be lost.

"The rice—which has been planted with great sacrifice by the growers—cannot wait until the day when the government makes up its mind to pay the growers the money it owes them," he said.

The ADOFA president added that "the companies that supply producer goods have provided support—without any restrictions—to the growers and to the Farm Bank itself, but the situation has now become desperate, because no one has the millions upon millions needed to bear the financial burden entailed when you sell without being paid for what you sell."

Tavarez Mirabal made an appeal to the authorities to prevent the mass bankruptcy of the producers in the most important categories of Dominican agriculture and cattle raising.

"We want to warn the government," he said, "that it is strangling the few sectors that have demonstrated efficiency in their production processes. This is a very sensitive issue for Dominican agriculture," he added.

Haiti

De Facto Government Replaces 4 Cabinet Ministers

PA0506014193 Madrid EFE in Spanish 0050 GMT 5 Jun 93

[Text] Port-au-Prince, 4 Jun (EFE)—The de facto Haitian Government led by Prime Minister Marc Louis Bazin replaced four of its cabinet members, it was announced on 4 June by state-owned national television.

Wiener Fort, economy minister since June 1992, was replaced by Charles Beaulieu, and Commerce and Industry Minister Saedel Laine was replaced by Pierre Mathurin, former chief of the planning minister's cabinet.

Public Works Minister Jean-Carmelo Pierre-Louis was replaced by Axan Abellard, former member of Bazin's private cabinet, and former Foreign Minister Jean-Robert Simonize has replaced Information Minister Andre Calixte, the television report added.

Further on Cabinet Reshuffle

PA0706032593 Paris AFP in Spanish 0219 GMT 7 Jun 93

[Text] Port-au-Prince, 6 Jun (AFP)—Haitian Prime Minister Marc Bazin (whose only international recognition was that received from the Vatican) replaced four ministers this weekend, due to a critical economic situation, with growing discontent among sectors that up to now had supported his government work.

The ministries of Finance and Economy, Commerce and Industry, Public Works, Transport, and Communications, and Information, Coordination, and Culture have new ministers. Charles Beaulieu, a technocrat and former governor of the Central Bank, who was finance minister following the coup d'etat against President Jean Betrand Aristide, was appointed to the Economy and Finance post.

After the announcement of the cabinet reshuffle, one of the parties that had supported Bazin up to now, the Christian Democratic Party of Haiti, asked that Agriculture Minister Robert Ulysse, its latest representative in the cabinet, be withdrawn, that a chief of state be appointed, and that a call be made for presidential elections.

The economic and financial situation in Haiti has taken a turn for the worse over the past weeks. The poverty levels have reached dramatic proportions and Haitian currency sustained a 20-percent devaluation in relation to the U.S. dollar.

Ministers Dispute Legality of Dismissal

FL0706185293 Port-au-Prince Signal FM Radio in French 1400 GMT 7 Jun 93

[Report by journalist DV on news conference by Wiener Fort, Saidel Laine, Andre Calixte, and Carmelo Pierre-Louis, in Port-au- Prince; in Creole—live]

[Text] [DV] We are reporting live from the Ministry of Information, where the four ministers dismissed by Marc Bazin—Dr. Saidel Laine, minister of commerce and industry; Andre Calixte, minister of information; Wiener Fort, minister of finance; and Carmelo Pierre-Louis, minister of public works—have made a statement to the media in which they say the Bazin decision is illegal (?in all respects), violating both the letter and the spirit of the Villa d'Accueil agreement. So, according to the four ministers, they still hold their posts; Marc Bazin's decision has no legal or constitutional basis.

According to the four ministers, Bazin intends to take over all powers, including those of president and prime minister, while ignoring even the Villa d'Accueil agreement that united many factions such as the parliament and the Haitian Army in putting him in power. The speakers say that through his attempt to modify executive power, Bazin has violated all his commitments to lead a consensus government.

During a news conference immediately after this statement, Minister Wiener Fort advised that while expecting negotiations to be held to normalize the situation, he will not [rephrases] he is still minister. Fort says he will no longer cooperate with Bazin or with any government that would be led by Bazin.

Fort says that if he suffered from a heart condition he would have already been in a mortuary today, because it was on television that he learned of Bazin's order dismissing him as of minister of finance and economy.

Fort denies Bazin's allegations that the ministers of finance and commerce have favored corruption. Wiener Fort says this is not true because as far as he is concerned, all the measures he took while issuing [import] licenses or exemptions from duties were designed to lower the prices of corn, rice, and beans in Haiti. However, Fort says he is bit worried. He did not agree with and condemns the stand of retailers who did not lower their prices even though they were exempted from customs duties.

The question remains between Marc Bazin and the four who claim they are still ministers of the government. They say they have sent a letter to the parliament that participated in the Villa d'Accueil agreement and a letter to the Army commander in chief, General Cedras, to straighten out the situation because, in their opinion, Bazin has violated the Villa d'Accueil agreement.

Wiener Fort explained during this news conference that he has nothing against Marc Bazin, but condemns his unilateral decision to dismiss the ministers.

It should be noted that the installation of new Information Minister Jean-Robert Simonise is scheduled for 7 June at 1430 GMT.

Jean-Claude Roy Condemns Reshuffle

FL0706210993 Port-au-Prince Radio Metropole in French 1045 GMT 7 Jun 93

[Text] The cabinet reshuffle has caused various reactions. The Haitian Christian Democratic Party [PDCH] withdraws its support of the government and recalls its representative. Robert Ulysse, a PDCH member who was in the Ministry of Agriculture, has resigned. The PDCH demands without delay the return to Article 149 of the Constitution.

Jean-Claude Roy made a rather technical analysis. He thinks that by reshuffling the cabinet, Bazin has violated the Constitution and the Villa D'Accueil Agreement. Jean-Claude Roy, who is an advocate of the Constitution, thinks that the ministers concerned by this reshuffle, should remain in their positions.

[Begin Roy recording] The act is serious because if Bazin now disregards the Constitution and can ignore the Tripartite Agreement, he is then not governed by any laws or convention. Therefore, it is a question that [must] make the people indignant and be of interest to each citizen. This saga must end. Bazin can no longer continue. The ministers concerned by those arbitrary dismissals, can either appeal to the judiciary or simply remain indifferent to their dismissals. Because after all, has Bazin not received a vote of non confidence? Did he not remain indifferent to the legislative measure? Why should among equal colleagues, as all ministers in a collegial government are equal, they obey Bazin's order? [end recording]

Paul Says Reshuffle 'Sort of Panic'

FL0706210893 Port-au-Prince Radio Metropole in French 1600 GMT 7 Jun 93

[Text] Evans Paul, Port-au-Prince mayor-elect, who has been out of his post for 20 months, feels that the reshuffle can only launch the fall of Bazin's government. Evans Paul is calling on political leaders to be aware of the situation and the threats that await the country.

[Begin recording] [Paul] I think that it is a sign of a sort of panic, at least the demonstration of contradictions which exist within the de facto people. I think that those measures can only initiate Bazin's fall.

[Correspondent Renois] You said at the beginning—to ask you a final question—that the government was at its end. You foresee the imminent fall of this government. Bazin will address the nation on 7 June. As a statesman, what do you think he will say? What would be, according to you, the key points of his statements?

[Paul] He could say a sort of mea culpa and say goodbye to the de facto situation and say: I recognize that I failed. Now, it is a must that we work toward democracy.

[Renois] What about the idea of a national conference that he initiated, which was scheduled for 7 June?

[Paul] I think that this conference will soon be presided by President Jean-Bertrand Aristide. I must take the opportunity to call on all citizens in all the sectors in the country that it is about time that we worked together on a democratic beginning. [end recording]

De Ronceray: Reshuffle Could Lead to Catastrophe

FL0706214893 Port-au-Prince Radio Metropole in French 1600 GMT 7 Jun 93

[Excerpt] Hubert de Ronceray, leader of the Mobilization for National Development [MDN], thinks this cabinet reshuffle has broken the Villa D'Acceuil Agreement, which had created this government. The MDN leader thinks that such a measure could lead to catastrophe. [passage omitted]

UN/OAS Mission Observing in Central Plateau

FL0406205993 Port-au-Prince Radio Metropole in French 1600 GMT 4 Jun 93

[Report by Maurice Miratsin, in Creole—recorded]

[Text] The UN/OAS international mission in Central Plateau, mainly in Hinche and led by Jean-Rene (Marco) of Canada, continues to make routine visits to assess respect for human rights. The mission has visited Hinche barracks, Cabaille zone, Cocoi, Thomasique, Bassin Ville, Thomonde, Cerca La Source, and other communes and sections in lower and upper Central Plateau.

The mission has observed several cases of human rights violations but has refused to name the offenders. Political tension has been high during the past weeks and the commission wants to avoid angering those violators, according to the mission chief. Members still have not commented, despite lessened tensions. The chief of the mission quoted a Haitian saying: Do not wake a sleeping cat.

The UN/OAS international mission in Central Plateau has not yet established itself in lower Central Plateau, although it has had a house rented for several months in Mirebalais. [end recording]

CONAPOP Demands 'Fair Solution' to Political 'Crisis'

FL0406165893 Port-au-Prince Radio Metropole in French 1045 GMT 4 June 93

[Text] The National Confederation of People's Organizations, CONAPOP, is demanding a fair solution to the Haitian political crisis in order to end the misery of the Haitian people. It opposes an embargo or naval blockade against Haiti.

[Begin recording] [unidentified speaker, in Creole] We say that the crisis is an institutional crisis and the solution must be one in which the entire population feels secure and all sectors find themselves included in the society.

We believe that an embargo against the country will have a great negative impact. When an embargo or naval or air blockade is imposed on any country, it results in a shortage of fuel and goods; people can not resupply; public transport slows down; and the situation of the country is blocked from top to bottom.

We note that the American dollar is trading at 205 percent. Haiti was the only country that was equal to the United States, when five gourdes, one Haitian dollar, was worth one American dollar. Today, one needs 17 gourdes for one American dollar. We think that a blockade on Haiti will create a social explosion. Who has interests and advantages in this social explosion? CONACOP thinks the question does not lie there.

All the forces in Haiti, all entities concerned in the crisis, the Haitian Army, and Bazin's de facto government must work together to ask that the UN and the OAS not take the step of ordering a blockade on the country, because then they will come to a more progressive compromise; they will seriously negotiate recognition of the electoral legitimacy of 16 December 1990; and negotiations to resolve the crisis will resume before 7 June. [end recording]

Reactions to National Conference; Tanks Seen in Streets

FL0406154593 Port-au-Prince Signal FM Radio in French 1030 GMT 4 Jun 93

[Text] The idea of holding a national conference (?has given rise to various reactions). The Villa d'Accueil government meant to hold such a conference designed to rule on the return of President Jean-Bertrand Aristide to Haiti. Yet the pro-Aristide sector is the only one to take a clear stand on the issue. Skeptical politicians are wondering about the outcome. The means are available, but political leaders are very divided as to a final solution. Leon Tes reports:

[Begin recording, in Creole] The Council of Ministers meeting should discuss Prime Minister Bazin's proposed national conference but no information has reached us as to developments. The scheduled date is 7 June. According to a communique issued by the cabinet of the Villa d'Accueil prime minister, the national conference would have to specify conditios and procedures for President Aristide's return to the country. The prime minister, who said he was willing to meet with Father Aristide any time at any place, has not yet managed to do that and is only 15 days short of completing one year in power.

The international community has not yet given a verdict on that proposal. Has it received an official invitation?

We do not know. The days are passing. Meanwhile, even the parliament, which is supposed to participate [in the national conference], appears to be divided on the issue. The Army has not commented since an Army official told Signal FM that the next step in the Haitian crisis is the transfer of power to Justice Emile Jonassaint.

The one clear stand is that of the National Front for Change and Democracy, which says it will not hold discussions with putschists. Likewise, the [pro-Aristide] presidential commission says it will not participate in crooked deals with people who do not really want to negotiate.

In the meantime, two light tanks with uniformed military bearing rifles and submachine guns were in the streets on 3 June. They headed downtown from the Lalue area. Comments on the national conference are heard, here and there, but nothing seems to be official. People are watching and waiting. [end recording]

When we asked officials at General Headquarters on 3 June about the tanks in Port-au-Prince streets, they said it was a routine maneuver.

LIBETE Says Office Receiving 'Threatening' Phone Calls

FL0406203593 Port-au-Prince Radio Metropole in French 1900 GMT 4 June 93

[Text] The Haitian press continues to suffer threats and repression. The daily Creole newspaper LIBETE claims it has been threatened. In a news release, the newspaper says that its office has been receiving threatening phone calls since 31 May. On 2 June, someone representing himself as military threatened to destroy the newspaper. The news release says military and hired thugs in Port-au-Prince and in the provinces almost weekly beat up newspaper vendors, tear up their papers, and arrest them.

Dupiton Sends Congratulations to Venezuelan Parliament

FL0406211893 Port-au-Prince Signal FM Radio in French 1030 GMT 4 Jun 93

[Text] Thomas Eddy Dupiton, president of the Senate office appointed by the Alliance for Parliamentary Cohesion [ACP] bloc, has sent congratulatory messages to those who dealt with the case of President Carlos Andres Perez in Venezuela. According to Dupiton, justice has prevailed in Venezuela at the expense of political and ideological sensitivities. He offers the Haitian people's congratulations to the Venezuelan parliament, according to today's issue of LE MATIN. Dupiton hopes the international community stays out of this issue, regardless of the outcome of the proceedings. The ACP senator appeals to the watchfulness of the Venezuelan Senate in preventing foreign interference in the guise of unselfish cooperation.

The senator reminds the Venezuelan president of the importance to democracy of parliamentary control. Dupiton uses the same LE MATIN newspaper to console the president in his difficulty and to assure him that the proceedings prove the vitality of Venezuelan de nocracy [preceding two words in Spanish].

The president of Venezuela is under a legal action resulting from accusations of embezzlement.

Salinas Evaluates Campaign Against Drugs

PA0606135093 Mexico City XHTV Television Network in Spanish 0200 GMT 3 Jun 93

[Passages within quotation marks recorded]

[Text] President Carlos Salinas de Gortari headed a working session focused on strengthening state structures to improve the administration of justice. Present at the meeting were the presidents of the Great Commission of the Chamber of Deputies, the Great Commission of the Senate, the Supreme Court of Justice, and the Senate and Chamber of Deputies Justice Commissions. The state attorney generals and the president of the National Commission for Human Rights also attended.

Salinas de Gortari evaluated the permanent campaign against drug trafficking that has resulted in the death of 150 public servants:

[Salinas de Gortari] "In four and one-half years we have destroyed 60,000 hectares of drugs, confiscated approximately 200 tons of pure cocaine, almost two tons of heroin and opium paste, and 2,000 tons of marijuana. More than 86,000 people involved in drug trafficking have been arrested, and several heads of drug trafficking bands have been captured. Weapons have been confiscated, funds from money laundering have been detected, and shipments transiting our territory toward other markets have been intercepted.

"We are assigning more human and material resources to fight drug trafficking in our country. The Attorney General's Office, PGR, now has a budget seven times greater than in 1989. We have acquired better equipment, more efficient information systems, and special interest has been placed on the training of personnel participating in drug operations. More than 150 public employees in the PGR and Armed Forces have lost their lives in this terrible fight.

"These actions leave no doubt about the seriousness with which the government has assumed its responsibility. These measures are part of the reason why battles among drug traffickers have increased as they lose capacity for action.

"Our actions in Mexico, however, do not seem to have any effect on the large consumption centers. High consumption rates have made profits for drug traffickers so great that the cost of the struggle against drugs in transshipment countries like ours is constantly increasing. In addition, everything drug traffickers touch in the countries where they operate, in both developed and developing countries, turns corrupt and rotten. No society in the world is free from that cancer when drug traffickers are operating. We fight them because it is in our interest to do so."

President Salinas de Gortari stressed the need to promote constitutional reforms to improve justice.

[Salinas de Gortari] "Cooperation between government branches has made it possible to exchange ideas on this important topic. I applaud the exchange of ideas that has been going on for months between the leaders of the Chamber of Deputies Justice Commission and the PGR as well as the drafting of bills for constitutional amendments and laws. I have been following their work closely and have encouraged and supported them.

"In view of the importance these constitutional and legal reforms have for the country, I respectfully invite the Justice Commission to present the bills on reforms to the Constitution and laws as soon as possible. I offer all necessary cooperation and support from the government to take additional steps for the benefit of the country.

"The second line of action is related to more effective and coordinated action from the investigative and judicial branches in facing the new methods and means used by organized crime."

President Salinas de Gortari said the struggle against drug trafficking requires professionalism of the highest moral caliber and dedication to this great effort for the nation's benefit.

[Salinas de Gortari] "I have instructed the attorney general to present a proposal this month, within the authority bestowed on that office by the laws and Constitution, for the creation of a unit capable of conducting with modern methods and technologies all the actions society demands and undoubtedly deserves."

Salinas de Gortari promised the struggle will be more intensive and effective.

[Salinas] "As I have said on other occasions and reiterate today, the struggle against drug trafficking, which will now be more intensive and should be more effective, will not be a pretext for human rights violations. We will maintain an open struggle against impunity and crime but with full respect for citizens' rights."

President Salinas de Gortari reiterated that the government cannot wage the war against drug trafficking without society's help.

[Salinas de Gortari] "Mexicans alone must wage the war on drugs in our country. We want to carry out that struggle with strict respect for the law and human rights and with as much cooperation as possible in order to exterminate effectively the social cancer of drug trafficking. The government cannot struggle against drug trafficking without society's participation. This is Mexico's fight against an enemy of Mexico and the world."

In conclusion, Salinas de Gortari urged society to combine efforts to construct a sovereign and just nation.

[Salinas] "I urge society to join forces to continue building the sovereign, safe, just, and free nation that history demands of us and that our children demand and undoubtedly deserve.

"The government will fulfill its responsibilities to the Mexican people."

Government Secretary Delivers Message From Salinas on Navy Day

PA0506174593 Mexico City XHTV Television Network in Spanish 0200 GMT 2 Jun 93

[Report by Fernando Mora]

[Text] Government Secretary Jose Patrocinio Gonzalez attended on behalf of President Salinas a breakfast to commemorate Navy Day at the Naval Club in Mexico City. Gonzalez conveyed a message from President Carlos Salinas de Gortari to the country's Navy personnel

[Begin Gonzalez recording] I urge you to continue doing your best as you sail the seas and firmly protect the interests of the nation and the purposes that guide you; namely, a sovereign Mexico that is expanding its presence throughout the world. [end recording]

Deputy Navy Secretary Admiral David Zepada Torres also spoke and said the modernization of Mexico's shipyards and docks is indispensable to be competitive at home and abroad.

[Begin Zepada recording] The maritime sector's participation in Mexico's modernization is necessary today more than ever. It is indispensable for the harmonious development of our economy, to provide specific support to industry, and to seek a greater presence in the international arena. [end recording]

Navy Secretariat officials later stood in an honor guard at the Revolution Monument before the tomb of Venunciano Carranza, who on 1 June 1917 finally enforced Article 32 of the Constitution, giving Mexicans the obligation and right to contribute to the nation's maritime development.

Salinas Speaks of 'Cordial' Relations With Guatemala

PA0606235793 Madrid EFE in Spanish 2135 GMT 6 Jun 93

[Text] Mexico City, 6 Jun (EFE)—Mexican President Carlos Salinas de Gortari today told his Guatemalan counterpart, Ramiro de Leon Carpio, that Mexico will maintain "cordial and constructive" relations with Guatemala.

A spokesman for the Mexican Presidential Office has reported that during a telephone conversation, Salinas congratulated de Leon Carpio for being peacefully elected president of Guatemala.

Salinas proposed to de Leon a personal meeting "to reaffirm the ties of friendship between the two nations." The president of Guatemala accepted, but no date has been set for the meeting.

Salinas Calls Guatemala's de Leon

PA0706181593 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 7 Jun 93

[Report by Jaime Guerrero]

[Text] New Guatemalan President Ramiro de Leon Carpio said on 6 June that his cabinet will include representatives of all sectors as a way of contributing to the country's unity and future.

De Leon Carpio, former human rights ombudsman, was elected president of Guatemala by this country's Congress to replace Jorge Serrano Elias, who was dismissed early last week. OAS Secretary General Joao Baena Soares said he is confident the military will support the new Guatemalan president.

President Carlos Salinas de Gortari spoke over the telephone with the new Guatemalan president on 6 June and congratulated de Leon Carpio for being sworn in as the new president of Guatemala according to the country's constitutional order and in a peaceful manner, the Mexican Presidency stated in a communique.

The conversation between presidents was warm and respectful. Both presidents expressed their determination to maintain cordial bilateral relations. President Salinas told his Guatemalan counterpart about the benefits of holding a personal meeting as soon as possible with the purpose of strengthening fraternal ties between both nations.

The Mexican Foreign Relations Secretariat also stated in a communique its deep satisfaction with the return of constitutional order in Guatemala. This shows the ability of the Guatemalan people to recover the full exercise of their sovereignty and their democratic life. Mexico will immediately and fully resume its bilateral cooperation programs with Guatemala.

Human Rights Leader Criticizes Cristiani Decision on Serrano

PA0306170093 San Salvador Canal Doce Television in Spanish 0300 GMT 3 Jun 93

[Text] Celia Medrano, leader of the nongovernmental Salvadoran Human Rights Commission [CDHES], criticized President Alfredo Cristiani for allowing former Guatemalan President Jorge Serrano to enter the country.

Medrano said it was inconceivable that the president would support Serrano's self-inflicted coup by remaining silent about it. It is even more inconceivable that Cristiani would give Serrano political asylum. It can thus be surmised that the Salvadoran leader intends to follow similar steps regarding the peace agreements.

[Begin Medrano recording] Cristiani is supporting Serrano's actions by allowing him into this country. That endangers Salvadoran stability because it would not be surprising for the Nationalist Republican Alliance [Arena] administration to imitate Serrano, not in an effort to annul the branches of state, which could go against the executive branch, but to curb the progress of the peace agreements. [end recording]

The CDHES leader said Cristiani's speech marking his fourth anniversary in office was completely detached from the country's real situation.

[Begin Medrano recording] How can he say that economic achievements have been noticeable since the Arena government came into office when the poorest of the poor have to purchase a pound of beans at almost 5 colones and a can of milk at almost 100 colones at the market? The poorest of the poor, 23 percent of the country, live in miserable conditions. [end recording]

Medrano also criticized the Farabundo Marti Peoples Liberation Forces for hiding weapons in Nicaragua because it affects the peace process. She added, however, that the government should not use the incident as an excuse for not complying with its part of the Chapultepec agreements.

FMLN Proposes Solution for Registering Voters

PA0606213693 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 5 Jun 93

[Text] The Farabundo Marti National Liberation Front [FMLN] Party on 4 June presented before the Supreme Electoral Tribunal [TSE] a proposal for solving the current problems with the voting lists.

Gerson Martinez, secretary for electoral issues of the FMLN, formally presented the document and explained the alternative that his party is presenting for solving the current difficulties encountered with issuing voter registration cards to citizens.

[Begin Martinez recording] We are presenting before the TSE the official results of a study that we have done of the registration issue. At the same time, the FMLN is proposing a civic national campaign that will bring the TSE officials closer to the citizens. Citizens should not have to form long lines and go through complicated procedures. Instead, the TSE officials should make it easy for the people to exercise their right to vote and elect their rulers. [end recording]

There are many irregularities in the current voting lists, which the opposition political parties—such as the Democratic Convergence and the FMLN—have repeatedly mentioned. On the one hand, there are approximately 600,000 persons who do not have the required documents for registering in the voting lists. On the other hand, there are also some 300,000 persons who are registered, but cannot vote because of some irregularities at the TSE.

Gerson Martinez feels that the FMLN proposal could be feasible if the corresponding authorities are willing to do something.

[Begin Martinez recording] We are proposing house-to-house visits to register people and issue their voters' registration cards. In addition, these visits will help overcome the problems with the voting lists. These house-to-house visits will actually purge the lists. We need to have very clear voting lists and an honest electoral process so that conditions in the country will be adequate for the next administration. This is the first condition necessary for stability in the next administration.

We believe this is possible and necessary, and that is precisely why we are here to propose this great civic national campaign. We are also going to notify the United Nations of our proposal, and we hope that in a reasonable amount of time, the tribunal will give us an answer. [end recording]

Guatemala

New Defense Minister, Army Chief of Staff Appointed

PA0706133793 Guatemala City Cadena de Emmisoras Unidas in Spanish 1305 GMT 7 Jun 93

[Text] Changes have taken place in the military leadership with the coming to power of new President Ramiro de Leon Carpio on 6 June. General Mario Rene Enriquez was appointed defense minister to replace General Jose Domingo Garcia Samayoa, and General Carlos Humberto Kilo was appointed new Army chief of staff to replace Jorge Alberto Perussina Rivera.

A series of changes in the Army organization are expected within the next few hours.

President de Leon Meets With Members of Military Leadership

PA0706172393 Guatemala City Cadena de Emisoras Unidas in Spanish 1702 GMT 7 Jun 93

[Report by Oneida Najarro from the National Palace in Guatemala City—live]

[Text] President Ramiro De Leon Carpio is now meeting with some members of the military leadership who have been removed from their positions. Here is what former Defense Minister Jose Domingo Garcia Samayoa said shortly before entering the meeting with the president:

[Begin recording] [unidentified reporter] [question indistinct]?

[Garcia] I am coming to meet with the president, who invited me this morning.

[Reporter] [question indistinct]?

[Garcia] Well, from the beginning I said that when one fills this position, one must be willing to leave it the next day if necessary. [end recording]

Honduras

Central Bank Figures Show Increase in Economic Activity

PA0406195793 San Pedro Sula TIEMPO in Spanish 1 Jun 93 p12

[Text] The banking system's loans rose by 6.6 percent, since the amounted loaned went from 5.397 billion lempiras in December 1992 to 5.751 billion in May 1993. The current maximum interest rate rose by .2 percent, as it went from 24.44 percent on 30 April 1993 to 24.6 percent on 21 May.

In addition, coins and bills in circulation shrank by 11.2 percent (-125.0), as it went from 1.118 billion lempiras in 1992 to 993 million on 20 May 1993, as a result of the restrictive economic policies implemented by the current government.

In addition, the banking system was able to attract 3.8 percent more resources than in the previous year, meaning, the figure went from 5.816 billion lempiras in 1992 to 6.047 billion lempiras on 20 May 1993, an increase of 220 million lempiras. Savings represent the most dynamic resources obtained, since they register a growth of 7.8 percent, going from 2.282 billion lempiras in December 1992 to 2.460 billion lempiras in May 1993. They are followed by 6.4 percent increase in time deposits. The other deposits rose 5.6 percent.

The deposits in checking accounts dropped by 70.9 million lempiras, which means a 4.3-percent reduction compared to December 1992. The Central Bank of Honduras [BCH] loans to the banking system went down by 1.7 percent, which means 20-million-lempiras less than in the previous year.

The BCH figures indicate that the farming activity growth rate dropped from 4.8 percent in 1992 to 2.5 percent in 1993. The manufacturing industry grew 7.9 percent in 1992, but only rose 3.2 percent in 1993. The electricity and water sectors also shrank, since it grew by 11.7 percent in 1992 but dropped by 3.2 percent in 1993.

Favorable increases are noticeable in commerce, however, since this sector rose 4.5 percent in 1993, whereas in 1992 it only grew .1 percent. The construction sector grew by .2 percent when compared to the year before. The service sector went from 3.2 percent in 1992 to 9.5 percent in 1993.

Economic activity experienced a moderate overall growth in the period between 1991 and 1993, going from 2.3 percent in 1992 to 3.4 in 1993.

Nicaragua

National Police Hand Over 20 Captured Honduran Fishermen

PA0506022093 Managua Radio Sandino in Spanish 1830 GMT 2 Jun 93

[Report by Luis Emilio Arolenga from Somotillo]

[Text] Twenty Honduran citizens who were captured on 26 April in the Gulf of Fonseca in nine fishing cayucos, on 2 June were handed over by the Chinandega Police, specifically by Commander Julio Rugama, to Honduran Consul Maria Barahona Enrique. The fishermen were sent to Somotillo where the National Police in Chinandega handed them over to Honduran authorities.

During the exchange, the Nicaraguan [as heard] authorities expressed their satisfaction to the National Police in Chinandega and the Nicaraguan Government for having returned the 20 Honduran fishermen with a minimum of formalities and paperwork and without any sort of fines. The fishermen were received on the border by Honduran authorities, their mothers, and family members who believed them lost at sea. The Honduran mothers and relatives were very happy. The fishermen were turned over by Nicaragua in a fraternal gesture that will help improve relations between the two countries.

This mobile unit gathered the information thanks to Chinandega National Police Commander Julio Rugama, who ordered the release of the 20 Honduran fishermen being held in Potosi, El Viejo, and Corinto.

Geothermal Plant Contract Signed With Russian Investors

PA0506032093 Managua EL NUEVO DIARIO in Spanish 2 Jun 93 p 8

[Report by Mario Sanchez]

[Text] Nicaraguan Energy Institute [INE] Director Emilio Rappaccioli and Oleg Yabukov, representing Russian investors, in Managua signed a foreign investment contract worth $172 million to finance the installation of the new San Jacinto-El Tizate geothermal plant that will generate 105,000 kilowatts [kw] of electricity.

The huge Russian-Nicaraguan investment contract was also signed by Economy and Development Minister Pablo Pereira and Ernesto Martinez Tiffer, general manager of the Intergeoterm Consortium, whose membership includes Russian investors and the INE, representing the Nicaraguan Government.

The ambitious energy project will cost $220 million, of which the INE is contributing $40 million.

According to the plan, Central America's largest electricity-generating project, powered by volcanic gases, will be concluded in Nicaragua by the end of 1996 with the installation of five generators capable of producing 105,000 kw. The first two generators will be ready to begin operating by the end of 1994.

It is expected that with this gigantic geothermal plant Nicaragua will once and for all resolve its energy crisis and will even be able to export electricity to other Central American countries.

The drilling of the first well has begun on the slopes of the San Jacinto-El Tizate volcanic complex in Leon Department.

The well in question has already reached a depth of 1,200 meters and has recorded temperatures of up to 200 degrees centigrade—signs that there will be sufficient vapor to generate power.

Russian investors have already invested over $8 million on the initial part of the project and have imported and shipped machinery and equipment to Nicaragua. The INE has used another $7 million to begin drilling the first well.

Oleg Yabukov, secretary of the Intergeoterm Consortium and the Russian investors' representative, explained that the signing of the huge contract attests to the confidence that his country's investors have in Nicaragua's rapid economic growth. At the same time it clearly proves the quality and trustworthiness of Russian technology in this field.

The signing of the contract constitutes official approval for the acceptance of the Russian capital. Engineer Martinez Tiffer, president of the Intergeoterm Consortium and general director of geothermics at INE, said the construction of a power plant of the magnitude being installed in San Jacinto-El Tizate will allow Nicaragua to save a substantial amount of foreign currency because it will purchase less oil to produce thermal energy.

With the installation of this new plant, Nicaragua will increase the geothermal electricity it generates from 175,000 to 180,000 [as published] kw. Nicaragua began producing geothermal power in 1989 when the installation of the "Patricio Arguello Ryan" plant on the slopes of the Momotombo volcano was completed.

Nicaragua is the second Central American country to produce geothermal electricity and one of the six countries in the world to take advantage of energy from volcanic gases.

EPS Spokesman Admits More Weapons Caches Exist

PA0506041193 Managua Radio Corporacion in Spanish 2200 GMT 2 Jun 93

[Text] Statements issued by Lieutenant Colonel Ricardo Wheelock, Sandinist People's Army [EPS] public relations spokesperson, confirming that the EPS knows of three additional arms caches, astonished everyone. Wheelock told this to the special Legislative Assembly commission investigating the Santa Rosa weapons cache, indicating that the Government Ministry had known about it. On hearing this information, Deputy Edmundo Castillo Ramirez, president of the commission, immediately summoned Government Minister Mendieta to report on why these caches have not been confiscated. Why do they still exist, posing a risk to community? Here is what Lt. Col. Wheelock said:

[Begin recording] [Unidentified speaker] You said you knew of additional weapons caches?

[Wheelock] The Government Ministry has this information.

[Speaker] Why don't they coordinate with you to safeguard the people?

[Wheelock] This is not only a matter of coordination. Much of the information that was collected by the various EPS intelligence services was communicated immediately to the police or to the Government Ministry [words indistinct] in the country. [words indistinct] secret information that is not made public.

[Speaker] For a long time you were head of the EPS intelligence service. [words indistinct] could have had access to that type of information because you controlled the movements of the different armed groups who operated in the country.

[Wheelock] In the first place, military intelligence has nothing to do with this type of information we are discussing. Military intelligence is an organization that collects information to prepare military operations on different terrain. It does not control or keep a check on the community. [end recording]

That was Lt. Col. Ricardo Wheelock. Here are deputy Castillo's remarks:

[Begin recording] [Unidentified reporter] Deputy Castillo: Lt. Col. Ricardo Wheelock told the Legislative Assembly commission that there are additional weapons caches and that Alfredo Mendieta knew about them. His statements are very important and very [words indistinct].

[Castillo] Let us clear up some matters first. In the first place, Lt. Col. Ricardo Wheelock, representing the EPS, stated that the EPS is not involved in any way in this matter. We have considered this [words indistinct]. In the second place, these are military warehouses, not caches, as has been said. What was found in Santa Rosa cannot be labelled as a cache but as a military warehouse. The fact these still exist and that the Government Ministry or that Alfredo Mendieta, the minister who is responsible, has not taken the necessary measures has shocked us. This is a matter of concern, so we are summoning Minister Alfredo Mendieta to the Legislative Assembly at 1000 on 3 June. This is an urgent matter. It is very dangerous that these exist and that Mendieta has not taken the necessary measures.

[Reporter] If something happens with those caches, would the government minister be responsible for the victims?

[Castillo] I believe he would be because right now it is a crime to [words indistinct] expose the people to danger. It is his legal responsibility to [words indistinct] not to take the necessary measures knowing there exist not caches but dangerous warehouses that place citizens in a dangerous situation.

[Reporter] What is the relationship between Minister Mendieta [words indistinct] the uncovering of the cache found on the southern road in the [words indistinct] called [words indistinct]. Then, there is the warehouse, as defined by the military, that exploded in Santa Rosa. The EPS says—it is not we reporters who say this—the EPS says [words indistinct] to the commission that Minister Mendieta knows of other weapons caches. What is the relationship, the close relationhip here?

[Castillo] Lt. Col. Wheelock was very clear. He said that he came as a representative of the EPS, whose responsibilities were established. This commission's basic task is to determine what is the situation and who is being negligent. Subsequently, the commission will present a report to the Legislative Assembly. The Assembly will then present the case to the plenum [words indistinct] corresponding information, presenting the charges and taking the necessary legislative measures. [end recording]

Police Find Kidnapping Plans at Santa Rosa Blast Site

PA0506020193 Managua Radio Corporacion in Spanish 1030 GMT 2 Jun 93

[Text] Among the documents found at the Santa Rosa site where an arms cache exploded on 23 May, police found documents linking that site to a terrorist center where plans were supposedly being made to kidnap well-known Central American, Mexican, Guatemalan, Colombian, and Venezuelan businessmen.

The police found a file on Mr. Emilio Azcarraga, who apparently was going to be kidnaped. Azcarraga is the manager and owner of Televisa.

At the terrorist house in Santa Rosa the authorities found, among other files on businessmen, files on Leonidas Ortega Trujillo, brothers Tomas and Donald Wright, and Santiago Marson Guzman, businessmen who head three important Ecuadoran economic groups. Ortega Trujillo's fortune is estimated at approximately $200 million.

There was a file listing all the movements by former Brazilian president Fernando Collor de Mello, who is considered to be a very rich businessman.

The documents included files on well-known businessmen and owners of hotels and tourist centers in Mexico, Venezuela, Colombia, Ecuador, and Peru.

Panama

Government Grants Former Guatemalan President Asylum

PA0706130793 Panama City Radio KW Continente in Spanish 1226 GMT 7 Jun 93

[Text] According to Immigration Department sources, deposed Guatemalan President Jorge Serrano Elias arrived in Panama over the 5 June weekend and the government has granted him political asylum.

Serrano, for whom an arrest warrant and extradition request have been filed for alleged crimes against the Guatemalan state, arrived in Panama from El Salvador, where he was a guest of President Alfredo Cristiani's government.

It has also been announced that Serrano plans to establish residence in Panama.

Foreign Minister Confirms Asylum

PA0706190093 Panama City Telemetro Television Network in Spanish 1730 GMT 7 Jun 93

[Text] Panamanian Foreign Minister Julio Linares has confirmed that Panama has granted political asylum to former Guatemalan President Jorge Serrano Elias.

[Begin recording] [Unidentified reporter] [Words indistinct] that Panama has granted political asylum to an individual who disrupted the democratic and constitutional system in Guatemala?

[Linares] The fact that President Serrano [as heard] staged a self-inflicted coup does not mean he cannot be given political asylum. Granting political asylum cannot be interpreted as our agreement with the self-inflicted

coup. We condemn and reject President Serrano's conduct. You will recall that on 30 May during the race in honor of the president at the Presidente Remon racetrack, some reporters asked me about Panama's position on the Guatemalan self-inflicted coup. I said that if a constitutional system was not reestablished in Guatemala, Panama would apply the Betancourt Doctrine [policy of suspending diplomatic ties with any country whose government comes to power through extraconstitutional means]. I understand that Mr. Serrano... [pauses] I could not really tell you. I understand that another person, another official whose name I do not have right now, and members of Serrano's family are accompanying him.

[Reporter] How could Panama's granting political asylum to Serrano affect relations with Guatemala?

[Linares] I do not think it will affect relations between Panama and Guatemala. I hope they will remain as cordial as always.

[Reporter] [Words indistinct] extradition of former President Serrano Elias?

[Linares] Panama has yet to receive any extradition request. If Panama were to receive an extradition request, we would address the issue with a clear and aboveboard attitude, an attitude that other governments have not shown toward us. [end recording]

Transportation Sector Ends Strike, Issues Statement

PA0506125193 Panama City Circuito RPC Television in Spanish 0144 GMT 5 Jun 93

[Statement by the National Transportation Coordinating Board at the Union of Public Transportation Drivers headquarters in Panama City—live; read by spokeswoman Luzmila Angulo]

[Text] Good evening. First of all I must say thank you. As you all know, National Assembly legislators and the transportation sector released a joint statement the morning of 4 June.

1. We drafted the statement.

2. Out of consideration for bus users and to ensure a climate of tranquillity during the legislative process whereby possible reforms will be discussed, and in consensus with our rank and file, we have decided to suspend the strike.

3. Pursuant to our goals, we are going to redesign our strategy of peaceful struggle, confident that the people will continue supporting us. We will begin a tour of the country on 5 June.

4. We must thank our rank and file and the Panamanian people for their understanding and tolerance during this five-day strike. We must also thank the popular organizations that gave us moral and active support. I hereby announce that the strike will be lifted starting at 0001 on 5 June. We believe our struggle was just: There are no winners or losers. The strike made our demands known and we believe the legislators with whom we spoke on 4 June have understood the transportation sector's position. We are especially grateful to Attorney Julio Luque, our adviser, for the selfless support he offered the drivers and particularly the Panamanian community. He explained to the legislators the reforms that the transportation sector is requesting, which has contributed to a solution in the near future.

Allow me to explain that the strike is being suspended. We remain on alert so the decision to hold a dialogue does not change course and so we will not be deceived a second time.

Endara Comments

PA0506231093 Panama City Telemetro Television Network in Spanish 2220 GMT 5 Jun 93

[Text] President Guillermo Endara Galimany has commented on the lifting of the transportation strike.

[Begin Endara recording] There is a positive aspect, which I wish to mention first. It is that the ordeal, the torment to which the labor leadership subjected users, the great majority of the Panamanian people, has ended. I cannot fail to emphasize that positive aspect, particularly since it means that students will return to classes on 8 June, thus, they will not lose any more classes, and we have salvaged the school year.

There is, however, a negative aspect. It is my fear that changing Law 14 could change the focal point of this crisis. I have received a very clear message from the people. They want public transportation to be a public service; in other words, a service for the people, in which the primary objective will be to benefit the people and ensure their comfort and their rights as users. This must not be lost in any modification. I am not prepared to accept a draft law that modifies Law 14 in such a way as to diminish those rights. I wish to announce from the onset that I will veto any law or bill that is detrimental to the rights of users or the actual drivers [palancas]. [end recording]

Argentina

U.S. Said To Believe Government 'Holding Back' Condor-2 Components

PY0806011293 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1404 GMT 6 Jun 93

[Text] Buenos Aires, 6 Jun (NA)—According to a report published in the press today, U.S. Ambassador Terence Todman recently urged Defense Minister Oscar Camilion three times to have Argentina totally dismantle the Condor-2 missile.

The United States believes that Argentina is still holding back vital components of the missile and is keeping intact the Falda del Carmen installations in Cordoba where the missile was built.

This is one of the main issues on the agenda of the meeting that Presidents Carlos Menem and Bill Clinton will hold at the end of June.

The Clinton administration has congratulated the Argentine Government for having sent the motors, tail fins, and other components of the missile to the Rota Naval Base in Spain.

The U.S. Administration believes, however, that key components for building a new missile have been kept back, and Ambassador Todman has been conveying this message to Camilion since the latter took over two months ago.

The North Americans believe that three Sageme wings [plataformas], a kind of flight stabilizer which houses the intelligent components of the missile, made up of guidance and control systems, still have to be dismantled.

According to the report published in the newspaper LA NACION, U.S. intelligence recorded the entry of 12 Sageme wings, but only 9 have been found. They were sent from Spain to the United States, where the intelligent components of the missile were found to be missing.

The transvector control [preceding two words in English] mechanisms closely related to the Sageme wings are also missing.

The latest request had to do with the mixing devices which are reportedly being kept intact at the Falda del Carmen facility.

The United States is trying to pressure Argentina into destroying all these devices, because it is afraid that a change of policy may reverse Argentina's decision not to manufacture the missile.

Since all these requests are conveyed on plain paper bearing no letterhead, the Argentine Air Force is against destroying the facilities in Cordoba until an official request is received.

Toward the end of his tenure as defense minister, Erman Gonzalez received a letter from the Air Force stating that it was not prepared to destroy something the United States never asked to be destroyed.

One of the reasons for the refusal to destroy the facilities in Cordoba is that they are worth between $250 and $300 million.

Menem Leaves for International Labor Organization Meeting in Geneva

PY0506231693 Buenos Aires TELAM in Spanish 2154 GMT 5 Jun 93

[Text] Buenos Aires, 5 Jun (TELAM)—President Carlos Menem left this afternoon for Geneva, Switzerland, where he will participate on 7 June in the International Labor Organization's (ILO) yearly assembly.

Menem left at 1830 [2130 GMT] from Ezeiza International Airport aboard the Tango 01 presidential airplane. He was accompanied by, among others, Foreign Minister Guido Di Tella.

President Menem will explain the guidelines of Argentine labor policy before that international forum.

During his visit to Geneva, where he will stay three days, Menem also will meet with Red Cross International Committee authorities and the UN high commissioner for refugees, and will deliver a message at the disarmament conference.

The president will arrive at 1000 (Argentine time) tomorrow at the Geneva international airport, where he will be met by the chief of the permanent mission to international organizations in Geneva and ILO Director General Michel Mansenne.

Camilion on 'Presumed' Execution of Soldiers During Falklands War

PY0706155593 Buenos Aires TELAM in Spanish 1219 GMT 6 Jun 93

[Text] Buenos Aires, 6 Jun (TELAM)—Defense Minister Oscar Camilion has labeled the presumed executions of Argentine soldiers during the Malvinas war 'murder,' adding that if British and Argentine investigations establish that war crimes were committed in 1982, the Malvinas issue "will heat up" within society.

Camilion said that the word execution is "wrong" because that situation may be the "result of a military ruling that can be adjusted to a pre-established code," but "if a machine gun was fired at a defenseless soldier, then we are facing an aggravated homicide. That would be a crime."

In an interview with the newspaper PAGINA 12, Camilion said that the Malvinas issue "will heat up" in society if the war crimes are confirmed, adding that the islands "are the central subject of the Argentine foreign policy," now as in 1982.

He denied that the Argentine Investigating Committee has been created as a response to Scotland Yard (British police) and termed "inappropriate" the proposal that Malvinas war veterans join the Argentine Investigating Committee, because "they should contribute through their testimonies and not to make judgment."

The federation of Malvinas war veterans has asked President Carlos Menem to allow Argentine soldiers to participate in the Argentine Investigating Committee.

He explained that in both England and Argentina there is "the same interest: to discover the truth and handle the matter based on strict guidelines to exclude political agitation."

The defense minister said that the Argentine Investigating Committee "will function absolutely independent" of that initiated by Scotland Yard, adding that "for the time being" there is no possibility of taking testimonies from the British soldiers who participated in the South Atlantic war.

Inhabitants Believe Government Unable To Defend Against Foreign Aggression

PY0706180293 Buenos Aires TELAM in Spanish 1219 GMT 5 Jun 93

[Text] Buenos Aires, 5 Jun (TELAM)—According to a private poll released today, 65 percent of inhabitants of the federal capital believe "Argentina is not in a position to defend itself against foreign aggression" while 68 percent believe the Armed Forces "are not up to date."

The poll was conducted by the Mansilla, Delich, and Associates consulting company, who polled 600 people in the federal capital and 19 districts of greater Buenos Aires.

An odd result of the poll is that, although most of those polled admitted a defense deterioration, 50 percent do not approve using public funds to modernize the Armed Forces or to increase the military budget.

Some 20 percent of those polled said they "agree very much" that "Argentina is not in a position to defend itself against foreign aggression" while another 45 percent "agrees" with this idea, thus totalling 65 percent.

Men, especially those of higher social levels, overwhelmingly believe in the "defenselessness" of the nation, while 68 percent of those polled believe the Armed Forces are not currently qualified.

Only 30 percent of the people polled described as "viable" the idea of increasing the military budget while 50 percent are against this alternative, considering it an expenditure rather than an investment.

Bolivia

Provisional Results Give MNR Majority in Congress

PY0706145093 La Paz Television Nacional Network in Spanish 1200 GMT 7 Jun 93

[Text] We will now report on the possible composition of the next Congress. Unofficial provisional results of the 6 June general election, based on nearly 60 percent of the vote count, reveal that the MNR [Nationalist Revolutionary Movement] heads the poll in Congress. It will probably have a majority of 16 seats—of a total of 27—in the Senate and 52 seats in the Chamber of Deputies—out of a total number of 130.

In La Paz Department the Conscience of the Fatherland [Condepa] has two seats in the Senate and nine in the Chamber of Deputies, the MNR has one seat in the Senate and 10 in the Chamber of Deputies, the Patriotic Accord [AP] has four seats in the Chamber of Deputies, the Solidarity Civic Union [UCS] has three seats in the lower chamber, and the Free Bolivia Movement [MBL] has two seats in the lower chamber. The two latter parties did not obtain any Senate seats in La Paz Department.

In Cochabamba Department the MNR has two seats in the Senate and eight in the lower chamber, the AP has one seat in the Senate and four in the lower chamber, the UCS has three seats in the lower chamber, the MBL has two seats in the lower chamber, and Condepa has one seat in the lower chamber. The three latter parties did not obtain any seats in the Senate for Cochabamba Department.

In Santa Cruz Department the MNR has two seats in the Senate and seven in the Chamber of Deputies, the AP has one seat in the Senate and five in the lower chamber, the UCS has two seats in the lower chamber, the Socialist Democratic Option [ASD] has one seat in the lower chamber, the MBL has one seat in the lower chamber, and the Condepa has one seat in the lower chamber.

In Oruro Department the MNR has two seats in the Senate and four in the Chamber of Deputies, the AP did not obtain any seats in the Senate but won two seats in the Chamber of Deputies, the UCS has one seat in the Senate and one in the lower chamber, the Condepa and the ASD did not obtain any seats in the Senate but obtained one seat each in the lower chamber.

In Chuquisaca Department the MNR has won two seats in the Senate and five in the Chamber of Deputies, the AP has one seat in the Senate and four in the lower chamber, the MBL has two seats in the lower chamber, and the [name of party indistinct] has two seats in the lower chamber.

In the Tarija Department the MNR has two seats in the Senate and five in the Chamber of Deputies, the AP has

one seat in the Senate and three in the lower chamber, and the UCS has one seat in the lower chamber.

In El Beni Department the MNR has two seats in the Senate and four in the Chamber of Deputies, the AP has one seat in the Senate and four in the lower chamber, and the UCS has one seat in the Chamber of Deputies.

In Pando Department the MNR has one seat in each house, the AP has two seats in the Senate and five in the Chamber of Deputies, and the UCS has one seat in the lower chamber.

AP Presidential Candidate Comments on Elections, Possible Alliances

PY0706190093 La Paz Television Nacional Network in Spanish 1700 GMT 7 Jun 93

[Text] Following the results reported up until noon today, Patriotic Accord, AP, presidential candidate General Hugo Banzer Suarez' comments have gained importance. He said that he has not given up the possibility of ruling the country. His electoral strategy relies on congressional alliances.

The AP political council has analyzed the results of the general elections, held on 6 June, and congratulated the candidate for the Nationalist Revolutionary Movement, MNR, for having obtained a relative majority of votes. AP candidate Banzer Suarez said, however, that he will not change his electoral strategy within Congress, seeking victory.

[Begin Banzer Suarez recording, in progress] ....there is still a possibility, because the number of votes required to directly become the president was not achieved. I would like to tell you that, during the AP political council meeting, it was decided that the AP would not give up its electoral strategy to elect its candidates. It has been decided that this will not be done because, in accordance with the electoral rules, we could still win the elections. We do not consider ourselves defeated. One is only defeated when there is no possibility of winning. We have other possibilities in Congress. Therefore, I cannot talk about being defeated. We have by no means been defeated. [end recording]

Banzer Suarez did not want to comment on the possibility of future alliances. He commented, however, on possible reasons for the large difference in number of votes. During our "Hora 20" newscast tonight, we will give more details.

Group Claims Responsibility for Oil Pipeline Explosion

PY0706200393 Madrid EFE in Spanish 1600 GMT 7 Jun 93

[Text] La Paz, 7 Jun (EFE)—Jorge Landivar Roa, prefect (governor) of the Bolivian Department of Chuquisaca, has reported that another dynamite explosion, the third in the past four days, partially destroyed the Camiri oil pipeline early this morning. The attack took place some 250 km south of the departmental capital, Sucre, near the locality of Padilla, causing an oil spill. Technicians of the state petroleum company went to evaluate the damage and to repair the pipeline. A group called "Pachakuti" (which in Aymara means change of time or era) has claimed responsibility for the attack. This group makes its debut through this dynamite explosion. Two other attacks were recorded on Friday and Saturday. The first took place outside the Cochabamba electoral court; the second took place in Sucre, affecting the potable water pipeline.

Klinsky Announces Military To Receive PRC Weapons

PY0506032893 La Paz Television Nacional Network in Spanish 0000 GMT 5 Jun 93

[Text] Defense Minister Alberto Saenz Klinsky reported that the Bolivian Armed Forces will receive significant shipments of military equipment from the PRC.

The Armed Forces' obsolete military equipment has been criticized on several occasions. However, a recent purchase from the PRC will make it possible for the Bolivian artillery to replace its equipment. The cost will not involve major disbursements for the Treasury, and will increase our country's military power but, obviously, within our potential.

[Begin recording] [Saenz Klinsky] We should have arms. Our mission is to defend the fatherland. And how can the fatherland be defended? With weapons. We must be ready and we must be armed to defend the fatherland. The president, er... [pauses] in his work... [pauses] the shipment is about to arrive and you will see it soon. The equipment will be for three Army military police battalions, a Navy military police battalion, and Army artillery units. This shipment is very important because we have had no new artillery material since the Chaco War. I believe this is a major step forward in President Paz Zamora's term.

[Unidentified reporter] Mr. Minister, how much does the equipment cost?

[Saenz Klinsky] Well, the cost obviously does not match the quantity of weapons because this is practically, I would say, part of the aid (?to Bolivia) from the PRC and U.S. Governments. We will pay but the cost is minimal. Now I have to solve the problem of transporting the shipment from Argentina to (?this city), and this will cost approximately $208,000. This is the cost of transportation alone. The equipment was not bought on the international market. It was received, rather, as cooperation from friendly countries. [end recording]

In addition to the concern that some local circles have expressed about our country having new military equipment, it should be recalled that the Armed Forces are in charge of safeguarding national sovereignty.

The equipment will be a new step toward a more efficient participation by the military in Bolivian life.

Brazil

President Franco Confirms New Agriculture Minister

PY0406215393 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 4 Jun 93

[Text] President Itamar Franco today confirmed that Federal District Agriculture Secretary Nuri Andrauss is the new agriculture minister. Andrauss met this morning with President Franco at his house in the company of Federal District Governor Joaquim Roriz. Leaving President Franco's house, Andrauss said he is assuming the ministry with the support of the PMDB [Brazilian Democratic Movement Party].

[Begin recording] [Andrauss] I have already talked with PMDB President Jose Fogaca early this morning. I received phone calls from Sao Paulo Governor Fleury Filho, from [Goias] Governor Iris Rezende, and others. The party will support this ministry. The idea now is to guarantee a good rural program.

[Unidentified reporter] What will be your priorities as minister?

[Andrauss] The issue that led me to accepting the ministerial post was the need to change the agricultural loan system. We have a program under which debts are paid off in products, etc. We will start from there. I hope to obtain funds for agriculture. [end recording]

The new minister will be installed tomorrow. We have a live report by Alexandre Garcia from Brasilia on the negotiations to appoint the new minister.

[Garcia] Nuri Andrauss is 52 years of age, is of Lebanese descendant, and studied mines and metallurgy in the University of Ouro Preto. He came to Brasilia in 1968 to plant oranges and raise cattle. He organized the association of cattle raisers of Planalto. He became president of the Commercial Association. He is one of the founders of the PMDB in Brasilia in 1986. He does not plan to be a candidate next year for any elective office, thus he will not have to leave the ministry.

Andrauss' appointment basically represents the victory of a plan by which farmers will pay their debts with its equivalent in products in order to remove inflation from the agricultural sector. This plan could be a real revolution. It was presented in Sao Paulo during a forum with Sao Paulo Agriculture Secretary Barros Munhoz, Sao Paulo Governor Fleury Filho, and Federal District Governor Joaquim Roriz. The plan was later submitted to PMDB President Jose Fogaca and then to President Itamar Franco.

During a three-hour meeting yesterday at the president's office, Fogaca coordinated the consultations with the governors of the party and all of them approved Nuri Andrauss for the ministry. A few minutes ago Andrauss told me that President Franco assured him that agriculture will be the driving force of his government, where mistakes will not be permissible. Andrauss added that the new plan seeks to get the Bank of Brazil to end its quarrels with farmers and become once again a great bank that helps agriculture. [end recording]

New Minister Promises 'Radical Changes'

PY0806033993 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 7 Jun 93

[Text] New Agriculture Minister Nuri Andraus was installed today, promising radical changes in agriculture policies.

The government must reduce the tax burden on agricultural products in order to make them more competitive and the price of food cheaper. This remark was made by new Agriculture Minister Nuri Andraus after being installed this afternoon. The minister said that he will introduce several changes in current agricultural policies.

[Begin recording] [words indistinct] because it is very bad. We do not have a chance if we do not make changes. We intend to reformulate the credit policy, the question of taxes, the storage system. We especially want to give farmers hope. [end recording]

Minister Nuri Andraus also said that he intends to implement the concept of product equivalence for rural credits. This means, for instance, that producers who borrow an amount equivalent to six sacks of rice will pay the government a value equivalent to the same amount of the product.

Governors 'Harshly' Criticize Cabinet Reshuffle

PY0706184093 Rio de Janeiro O GLOBO in Portuguese 4 Jun 93 p 3

[Text] Brasilia—Three governors and Sao Paulo Mayor Paulo Maluf harshly criticized President Itamar Franco's cabinet reshuffle yesterday. Sao Paulo Governor Luiz Antonio Fleury, a Planalto Palace ally, has accused Itamar of destabilizing parties and distributing posts without consulting the main political leaders.

Bahia Governor Antonio Carlos Magalhaes canceled a truce he granted the federal government and has begun to criticize everyone. In addition to the president, Magalhaes also criticized Economy Minister Fernando Henrique Cardoso. In the Bahia governor's opinion, "the minister is unable to say no," thus reducing his credibility. Magalhaes described ministers as "dishonest kids" ["pivetes"]. Concerning Itamar, Magalhaes said objectively: "If I say I pity the president, he will say that he does not deserve any pity. I actually pity Brazil."

In Rio de Janeiro, where he arrived yesterday to hold political meetings, Mayor Paulo Maluf, Itamar Franco's intransigent opponent, leveled the harshest criticism. He

described the criteria used to reform the cabinet as "mercenary store counter" and a "fair."

Rio Grande do Sul Governor Alceu Collares, another Itamar Franco opponent, even predicted how long Minister Fernando Henrique Cardoso will remain in his post: 150 days. Collares believes that without a broad national accord the cabinet change will not work. He believes Itamar is worrying too much over names and neglecting party structures.

All of them, even Itamar's ally Fleury, were angry at the president's decision to create a ministry—the Pharmaceutical Industry Ministry—to please the PP [Popular Party], which would provide him with 43 votes in Congress.

Poll Says Franco's Popularity 'Dropping'

PY0806031493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Jun 93 p 3

[Report by Ricardo Osman]

[Text] President Itamar Franco's popularity is dropping. According to a Gallup poll, the results of which were published exclusively by O ESTADO, 21 percent of Brazilians approved of Franco's performance in May. This rate stands 4.7 points below the 25.7 percent that was registered in April. Disapproval of the government increased the month in which Franco installed PSDB [Brazilian Social Democracy Party] member Fernando Henrique Cardoso as his fourth finance minister. In April, 36.6 percent of the population believed that the president's performance was bad or very bad. In May, the group of dissatisfied people rose to 42.4 percent. A significant percentage of the people polled—30.2 percent—believed that the government's performance was neither good nor bad, while 6.4 percent gave no opinion.

Carlos Matheus, Gallup executive director, believes that the president's popularity is directly related to his government's efficiency in the fight against inflation. The replacement of ministers has little influence on popularity indexes. He said: "Installing a minister does not increase or decrease a president's popularity," adding that "people measure the government by their own pockets." Consequently, Franco's chance to reverse the rate of disapproval—which Gallup has reported as increasing since he replaced Fernando Collor in October 1992—will rely on the success of the FHC [Fernando Henrique Cardoso] Plan. At the end of April, after seven months in office, the accumulated inflation rate measured by the INPC [National Consumer Price Index] reached 322.84 percent.

Risks

In November 1992, one month after Franco's accession to power as acting president, 31 percent of the population approved of him, while only 13 disapproved of him. Franco can reach dangerous unpopularity ratings if the current dropping popularity trend and growing unpopularity trend remain unchanged. "The result of the plan by the new minister will be decisive," Matheus said, adding that "if he does not succeed in reversing the current rates of inflation, during his last days in office Franco's popularity will drop to the ratings of Sarney and Collor." When Sarney stepped down, 16 percent of the population approved of him, while 9 percent of the population approved of Collor when he left government.

Inflation

As Matheus put it, the prospect of efficiently fighting inflation—which was awakened in political and economic circles with the designation of Cardoso to the Finance Ministry on 21 March—is not sufficient to modify the president's popularity. "The people do not know the minister," he added. Yet the work by Minister Cardoso is closely linked with the president's chances. "If the minister gets good results, the people will give the credit to Franco," Matheus said. Failure, however, "will also be attributed to the president."

Problems

Matheus said that Cardoso took over "at the worst moment of the president's popularity," mentioning the polls done since November 1992. Between 10 and 29 May the institute polled 2,778 people in 161 towns to check on the president's popularity. The ratings reveal that today Franco enjoys popularity ratings that are close to those of General Figueiredo in his last month of government (24 percent); of Jose Sarney when he was booed and his entourage stoned by demonstrators in June 1987 in Rio de Janeiro (20 percent); and of former President Fernando Collor in May 1993 when his brother Pedro reported the Paulo Cesar Farias affair (22 percent).

Matheus added that the "excessive replacement of ministers also gives the impression that the president might not know how to govern." In order to win this popularity battle, Franco and his ministers have to succeed in the fight against inflation. "Inflation and recession should at some point come to an end. Whoever does it will become a national hero," Matheus said. He explained that current inflation rates have only served to intensify people's expectations over the 1994 elections.

Finance Minister on 'Pressure' Over Stabilization Program

PY0806001393 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Jun 93 Section 1 p 5

[Text] Finance Minister Fernando Henrique Cardoso said on 4 June that he has the full political support of the government to implement a stabilization program. He also refuted reports indicating that pressure against the program could cause him to resign.

With two weeks at the helm of the ministry, Cardoso is being pressured by several sectors that are not happy

about the prospect of budget cuts. He has already begun talks with ministers and Congress to water down the impact of the austerity program.

Minister Assesses Environmental Preservation Efforts

PY0506032493 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 4 Jun 93

[Text] Environment Minister Coutinho Jorge said that one year after the Rio-92 environment conference, Brazil already has begun implementation of environmental preservation programs. The minister said the political crisis the country has experienced harmed the programs, but essential steps have been taken since President Itamar Franco took over, namely, the design of policies for the environment.

[Begin Jorge recording] The situation has undoubtedly improved. Despite the political crisis to which I have already referred, (?the crisis dealing with the environment), there are achievements like the Environment Ministry, the strategy for strengthening the national environmental system, the involvement of civilian society, the strengthening of nongovernmental organizations, participation, the formulation of policies that were nonexistent, and the design of priority programs for ecosystems. Undoubtedly, there has been progress.

Obviously, the result of this will not be seen immediately. I believe we will see the results in a couple of years. I believe we will see the results after the minister leaves this post. For the time being, we are planting. [end recording]

The minister said Brazil is complying with Agenda 21, adding that the master tropical forest program and the biodiversity program are the most significant efforts.

* BNDES Prioritizes Development, Not Privatization

93SM0251B Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Apr 93 p 1-7

["Excerpts" from interview with Luiz Carlos Delben Leite, president of National Bank for Economic and Social Development, by Francisco Santos, in Rio de Janeiro on 23 April 1993: "BNDES Will Finance Production, Says Delben"]

[Text] Rio de Janeiro—Luiz Carlos Delben Leite, 47, of Sao Paulo, assumed leadership of the BNDES (National Bank for Economic and Social Development) with a desire to restore the bank's role as the country's chief supplier of financing for industrial production. He supports the idea that Brazilian inflation should be combated by increasing production and not making the recession worse, and he wants the BNDES to lend $16 billion per year, or almost five times more than the $3.3 billion it lent last year.

After negotiating with the FAT (Worker Support Fund) to give the bank an additional line of credit totaling $1 billion, Delben Leite wants the government to instruct the pension funds to make a compulsory loan of 30 percent of their assets to the BNDES—a sum close to $7 billion.

According to Delben Leite, the BNDES must get back to its role as a bank geared to development, with an emphasis on the creation of jobs and the generation of income. He feels that one way to help ensure that inflation is contained or slowed is to stimulate investment in production, thus helping to stop the financial merry-go-round.

At the same time, he wants privatization to be only one more concern of the BNDES, not its main priority. In an interview granted to FOLHA DE SAO PAULO last Friday, Delben Leite defended the bank's privatization activity from the standpoint of its being "aboveboard" and said that the challenges concerning the privatization of the CSN [National Iron and Steel Company] were "political-electoral" and "political-ideological" in nature. But while disagreeing with them, he says he respects the people who are opposed to the privatization program on the grounds that they do not consider it good for the country.

Here are the important passages from that interview.

[Santos] Former bank president Eduardo Modiano led the bank to concentrate on privatizations, and Antonio Barros de Castro wanted to focus on industrial restructuring. What is your plan for the BNDES?

[Delben Leite] It is true that Modiano placed a great deal of emphasis on privatization and established an internal organization involving practically every department of the bank in that effort. To some extent, the result was a neutralization of the bank's activities in other areas. Its relative participation as a financial institution declined substantially. Castro initiated a reversal of that process, causing the bank to rethink its situation in a search for its true calling. What we are trying to do at the moment is take advantage of all the work done by him and, in accordance with President Itamar Franco's instructions, try to bring the bank back to its role as a bank geared to development, with an emphasis on the creation of jobs and the generation of income.

[Santos] I don't see in you the same concern that Barros de Castro had to reorganize the industrial sector. He used the privatization program for that purpose—almost to the point of deciding industrial policy.

[Delben Leite] The bank does not decide industrial policy; it carries it out. Especially since the responsibility for formulating policy rests with the Ministry of Industry and Commerce. But restructuring currently reflects a need on the part of the Brazilian productive sector, which has suffered a real earthquake. The Collor administration and the measures it adopted, along with deep recession, extremely high interest rates, and the problem

of the confused way in which the opening-up is taking place, ended up doing serious damage to the country's industrial structure. Restructuring is a requirement that the bank cannot ignore.

[Santos] The opening-up was one of the most highly praised aspects of the previous administration's policy. Now you are criticizing it.

[Delben Leite] In some cases it was very good, and in some it was a disaster. They simply established a timetable for reducing customs tariffs without taking into account the interrelationships within the productive chain. So today you have products paying no tariff that were manufactured with inputs on which the rates can be as high as 40 percent.

[Santos] Which sectors have been most harmed?

[Delben Leite] There are many instances of it in the electronics industry and the machinery and equipment industry.

[Santos] Do you support a revision of tariff policy?

[Delben Leite] I support a selective revision. In some cases to accelerate the scheduled reductions. In others to give some refunds and prevent irreversible harm from being done.

[Santos] What about privatization? What is the situation from the bank's standpoint?

[Delben Leite] We are discussing an internal reorganization of the privatization sector in which a specialized group will be set up to provide increasingly rigorous quality control so that all the legal rules will be followed to the letter, even though the bank has been extremely rigorous in that respect. We also want privatization to be treated as only one more of the bank's departments.

[Santos] Will there be a specific directorate for privatization?

[Delben Leite] Yes.

[Santos] Someone has already been mentioned as the possible head of that directorate. There is talk of Sergio Zendron (a bank director).

[Delben Leite] It is possible.

[Santos] There has been a lot of criticism of the idea of keeping Zendron in the same job that he had under the Collor administration. Aren't you afraid of encouraging that criticism?

[Delben Leite] No. No one should forget that we have capable professionals who have worked not only for the Collor administration. Zendron worked for the revolutionary governments and for the Sarney administration, and he is a man above reproach, highly respected, and capable. It is a very great injustice to try to create witches in order to start a witch hunt.

[Santos] Do you subscribe to what has already been done by the privatization program?

[Delben Leite] The procedures that I am aware of so far give me no reason to doubt that the process is aboveboard.

[Santos] In the case of the CSN, there were proven efforts to induce the employees to buy shares through a certain investment club (the CSN Club). Action by the BNDES to correct the situation was very timid. Shouldn't more energetic steps have been taken at the time?

[Delben Leite] I have not thoroughly analyzed that aspect of the matter. Perhaps it requires closer attention on my part. But to claim that 30,000 people made an uninformed decision is the same as calling them all fools.

[Santos] How do you view the questioning of the CSN process? Is it just a political issue?

[Delben Leite] For some it is a political-electoral issue. There are people who are using it as a platform for themselves. For others it is a political-ideological issue. They are people who oppose the privatization program because they feel it is not good for the country. Those I respect, although I do not agree with them.

[Santos] Getting back to the BNDES's investments, do you feel that Brazilian inflation can be combated by supplying products for consumption?

[Delben Leite] Actually, the root of our problems is more political than economic. But one way to help contain or reduce inflation is undoubtedly to stimulate investment in production. By doing that, you are also helping to stop the financial merry-go-round.

[Santos] But isn't it possible that a major injection of funds into the economy by the government will start fueling inflation again?

[Delben Leite] No, because we are not talking about inflationary funds. These are funds which are already in the economy and which we are trying to redirect.

[Santos] The BNDES has been lending about $3 billion per year. What is the minimum necessary if it is to really stimulate production?

[Delben Leite] The minimum is what it lent in the past: 4 percent of GDP (gross domestic product), giving us a total of about $16 billion per year. That is not the ideal. The country needs to invest $100 billion per year in order to achieve a suitable rate of growth.

Bio Data

Luiz Carlos Delben Leite is 47 years old and was born in Sao Paulo. His hobby is playing tennis. He was educated as an electronics technician at the Mackenzie Technical School and earned a degree in economics at the PUC-SP (Pontifical Catholic University-Sao Paulo). His previous post was that of secretary of science, technology, and economic development for the State of Sao Paulo, and he is currently president of the BNDES (since March 1993).

* Petrobras Plans $2.6 Billion Investment in 1993

93SM0251C Rio de Janeiro O GLOBO in Portuguese 27 Apr 93 p 24

[Article: "Petrobras Plans To Invest $2.6 Billion This Year"]

[Text] Petrobras plans to restart various projects that have been halted for lack of funds and to invest a total of $2.6 billion this year, according to an announcement by company president Joel Mendes Renno. He emphasized, however, that it will not be possible to invest that amount unless the Federal Government keeps its promise to raise fuel prices.

Joel Renno said that the plan to get the economy growing again as announced by President Itamar Franco last weekend is proof that the government intends to make it possible for the company to resume its investments along with other, equally important sectors. The current lag in fuel prices, he said, is between 20 and 25 percent.

"Petrobras depends on those prices to be able to invest. We are confident that we will be able to invest the amount initially planned," he said.

Renno took part in yesterday's swearing-in ceremony for four new directors of the firm, which will now have six directorates. Those sworn in were Jose Machado Sobrinho, Petrobras attorney and former adviser to former Minister Aureliano Chaves; and Sebastiao Vilarinho, who had been chef de cabinet to the company president.

Also returning to the firm were two former officials who had been in the private sector: former company president Orlando Galvao and Aurilio Fernandes, former vice president of Petrofertil. Remaining on the board of directors are Roberto Villa and Joao Carlos Franca de Luca.

Joel Mendes Renno said that the new directors would establish their areas of activity over the next few days. The changes in Petrobras' board of directors had been expected ever since Joel Renno became president of the firm in November of last year. The changes also included the departure from the firm of Carlos Alberto Luna Freire and Luigi Dallolio.

* Sao Paulo Unemployment at 15.8 Percent in March

93SM0251D Sao Paulo GAZETA MERCANTIL in Portuguese 20 Apr 93 p 9

[Article by Sandra Nascimento: "Unemployment Reaches 15.8 Percent in March, Affecting 1.243 Million in Greater Sao Paulo"]

[Text] Sao Paulo—The total unemployment rate in the Greater Sao Paulo area remained high in March, according to survey results published yesterday by the State Data Analysis System (Seade) Foundation and the Interunion Department for Statistics and Socioeconomic Studies (DIEESE). The level rose from 15 percent in February to 15.8 percent, meaning that a total of 1.243 million people were unemployed.

Of the sectors surveyed, trade was the only one to show favorable results: employment there was up 2.6 percent over the previous month for a total of 27,000 new jobs. According to the survey, industry contributed the most to higher unemployment, since it experienced a drop of 3.3 percent reflecting the elimination of 56,000 jobs—75 percent of them held by workers with signed labor cards. In 1985, the industrial sector accounted for 32 percent of total employment in the area. By last March, it accounted for about 25 percent.

Employment

	Estimated		Change		
	(in 1,000's)		Absolute (1,000's)	Relative (%)	
Sector	Feb 93	Mar 93	Mar 93/Feb 93	Mar 93/Feb 93	Mar 93/Mar 92
Total	6,664	6,627	-37	-0.6	3.1
Industry	1,706	1,650	-56	-3.3	-5.6
Trade	1,053	1,080	27	2.6	1.2
Services	3,199	3,181	-18	-0.6	8.3
Other*	706	716	10	1.4	6.1

* Including construction, domestic service, and so on.

Source: Seade Foundation, DIEESE

That drop in the industrial sector as detected by the Seade/DIEESE has not yet been reflected in the job survey conducted by the Sao Paulo State Federation of Industries (FIESP) (see below).

The service sector eliminated 18,000 jobs following six consecutive months of growth. Among population groups, the most significant unemployment was noted among men, heads of households, and people between the ages of 18 and 39 years.

In the opinion of Seade director Pedro Paulo Martoni Branco, the survey results show that the current signs of economic recovery are not enough to guarantee a rise in

the employment level. "Employers are still being very cautious. In addition, three years of recession have led the firms to restructure," he says.

Income

The average real incomes of nonwage earners and wage earners in February rose by 3.3 percent and 2.9 percent respectively. Compared to the average for 1985, however, they were down by an accumulated total of 40 percent.

Incomes increased as a result of higher salaries—5.4 percent—for the population group classified as the richest 25 percent. That group's average income is 17 million cruzeiros.

Greater Concentration of Income

Sao Paulo—Between 1985 and 1993, 1.328 million workers were added to the economically active population (EAP) in the Greater Sao Paulo area– currently estimated at 7.87 million. Of those newcomers, 373,000 are among the unemployed, whose number totaled 1.243 million in March. During that same period, there was a concentration of income in the region. The poorest 50 percent of the EAP received 11 percent of the income from labor in 1985, but that group now receives only 9.6 percent, while the incomes of the richest 10 percent have risen from 45.6 to 46.3 percent.

Those data, published yesterday by the Seade and the DIEESE, are part of a review of surveys of employment and unemployment over the past eight years.

The review shows that during that period, the creation of jobs in the metropolitan area was insufficient to guarantee the placement of new members of the EAP: of every 100 individuals joining the work force, 16 remain unemployed.

Women accounted for 38 percent of the work force in 1985. In 1993 they accounted for 41 percent. In the case of heads of households, on the other hand, one out of five was unemployed in 1985, while the figure now is one out of four.

Industry's share of total employment fell from 32 to 25 percent. Hardest hit was metal engineering, which was responsible for 60 percent of that drop. Higher employment in the area during the period in question was due almost exclusively to the creation of jobs in the tertiary sector: trade and services.

Drug Trafficker Arrested, Faces Deportation to U.S.

PY0506005793 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 4 Jun 93

[Text] One of the drug traffickers most wanted by the United States has been arrested in Rio de Janeiro. (Terry Lee) is a member of Captain America's group, the man who leads one of the largest connections in international cocaine trafficking.

(William Elsweek), known as Captain America, has been sentenced to life imprisonment in the United States. Arrested in Rio de Janeiro in 1986, the trafficker was not deported. He was released by decision of the court and has been missing ever since. Federal Police now are getting close to Captain America again with the arrest of this man, the U.S. citizen (Terry Michael Lee), one of the most important members of the group that according to police, is one of the largest in the world.

(Terry Lee) will be deported to the United States, where he is facing two trials for drug trafficking. He was living on the top floor of this building in the Tijuca neighborhood. Another U.S. citizen, (Donald Coyle), cited as Captain America's right-hand man, was arrested last month, but obtained a court injunction and was set free.

In Brazil, (Donald Coyle) and (Terry Lee) were moving as businessmen. (Coyle) is the owner and (Lee) the manager of a navigation company: The Monterrey Shipping Company, which has 40 vessels. According to Federal Police, this fleet was used to transport cocaine to Nigeria in Africa.

From Nigeria, the cocaine was distributed to several points in Europe. The navigation company's site was closed hastily. According to Federal Police, Captain America might be in Brazil, heading the group. Just this year, 17 Nigerians were arrested trying to leave the country with 300 kg of cocaine.

Chile

Aylwin Says Government 'Has No Plans' To Engage in Arms Race

PY0406185493 Santiago Radio Chilena Network in Spanish 1700 GMT 4 Jun 93

[Report by correspondent Maria Angelica Rodriguez from Moscow]

[Text] President Patricio Aylwin has said in Moscow that Chile has no plans to engage in an arms race and is therefore not interested in acquiring weapons.

Aylwin made this statement in referring to the purpose of the Russian defense minister's upcoming visit to Chile.

[Begin Aylwin Recording] Chile is not interested in purchasing weapons, but naturally it is quite willing to see what technological developments in this field Russia, as well as any other country, can offer us. In this sense we will welcome favorably the visit that the Russian defense minister has announced he will make to Chile. [end recording]

President Aylwin also noted that Boris Yeltsin has voiced his desire to visit Chile, but that he does not think he will be able to do so soon.

During a news conference Aylwin briefly assessed the results of his tour of the Nordic countries and Russia.

[Begin Aylwin recording] I believe that the results of my visit meet the expectations we had when we planned this tour. We have come to such distant countries with the purpose of bringing a message of friendship and solidarity from the Chilean Government and people, and to tighten ties in the political, economic, and commercial fields—and I hope we have [words indistinct]. [end recording]

President Aylwin will return to Santiago tomorrow.

Presidential Candidate Frei Supports Trade Negotiations With U.S.

PY0406225293 Santiago EL MERCURIO in Spanish 19 May 93 p C5

[Excerpt] Christian Democratic Party [PDC] top leader and presidential candidate Eduardo Frei yesterday voiced his most resolute support for negotiations being conducted by the Chilean and U.S. Governments to reach a free trade agreement between the two countries.

Frei expressed this support yesterday morning to approximately 150 members of the Chilean-U.S. Chamber of Commerce, when in a 20-page speech he outlined the main guidelines of the program that inspires the PDC's actions, aiming at the next presidential term.

Thus when referring to the need to improve the levels of effectiveness and develop Chile's competitiveness in the 21st century, he referred to the country's participation in world trade, and in this context he voiced his support for a free trade agreement with the United States.

He said Chile will receive many benefits from an agreement of this type with the United States, citing "the assured access to a market hundreds of times larger than ours, that our country will have greater attraction to foreign investors, the establishment of expeditious mechanisms to solve controversial trade matters, and the access of capital goods and highly sophisticated imported goods that will improve the national productive sector's competitiveness and effectiveness." [passage omitted]

Cuban Official on Political, Economic 'Changes'

PY0806033293 Santiago Radio Cooperativa Network in Spanish 2300 GMT 7 Jun 93

[Text] Carlos Lage, vice president of the Cuban Council of State and secretary of the Cuban Council of Ministers, said today that it is possible to have political changes in his country.

The third man in Cuba is visiting Chile on an invitation from Minister Secretary General of Government Enrique Correa. Carlos Lage, who met this afternoon with leaders of the Parties for Democracy, PPD, was asked about the possibility of political changes in Cuba.

[Begin Lage recording, in progress] ...could have political changes, we have had political changes. For example, we held direct election of deputies to the National Assembly. That did not exist before, and we did it recently. There could be other political changes in our socialist system, but our current problem is not political. Our problem is economic. The changes we have to make are economic. [end recording]

Carlos Lage also said that he had accepted the Chilean invitation as a contribution to the process of rapprochement in the relations between Cuba and Chile.

[Begin Lage recording] The purpose of this visit is to take a further step in improving our relations with the government of President Patricio Aylwin. We understand relations in a very broad sense. Relations are between governments, between people; relations are also economic, cultural, and historical. [end recording]

The activities being carried out by Lage include a meeting with Chilean businessmen and with Manuel Feliu, presidential candidate for National Renewal. In this regard Lage said he wants Chilean businessmen to become familiar with the nature of the Cuban economic opening, so as to be able to participate in the investment of private capital in that socialist country.

Lage, who will remain in Chile until 11 June, is so close to Fidel Castro that he is considered his emissary, and has broad powers.

Deployment of Troops in San Fernando Said Creating 'Climate of Anxiety'

PY0406181393 Santiago Radio Chilena Network in Spanish 1700 GMT 4 Jun 93

[Report by Luis Ruz Vasquez from San Fernando]

[Text] The deployment of military troops with painted faces, carrying armaments and wearing combat gear, has given rise to expectations and concern in the city of San Fernando.

The officers were posted in a number of areas of San Fernando, creating a climate of anxiety among the public.

When inquiries were made at the public relations department of the 19th Colchagua Infantry Regiment based in this city, it was stated that the maneuvers fell within the framework of activities to celebrate Infantry Day, and that they are traditionally carried out throughout the country. It was asserted that the public must rest assured as they were just routine patrolling exercises.

Pinochet Sees 'Nothing Strange'

PY0806035793 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 8 Jun 93

[Text] Army Commander in Chief General Augusto Pinochet is visiting Arica, where he accused government officials of not taking timely action on matters of interest to the Army. Gen. Pinochet said that action is pending on more than 100 documents.

In keeping with a long-standing tradition, Gen. Pinochet presided over the Army's main ceremony marking Infantry Day in Arica. A show depicting the various stages of Chilean infantry through history was staged at the top of a hill last night. The show ended with a display of fireworks.

Both opposition and government members of the congressional defense committees attended the ceremonies.

[Begin recording] [National Renewal Senator Sergio Onofre Jarpa] A country can hardly have stability and progress if civilian institutions are permanently clashing with military institutions.

[Christian Democratic Party Senator Arturo Frei] At this point it is very important to show that political leaders and congressmen are always interested in having the best possible relationship between civilians and the military. [end recording]

This morning Gen. Pinochet was congratulated for being the most senior infantryman on active duty. He also met with government and opposition senators and deputies who are members of the defense committees. He held a separate meeting with Senators Santiago Sinclair and Arturo Frei.

Gen. Pinochet said that as far as his institution was concerned, nothing strange had happened regarding its relations with the administration. He explained that the deployment of armed soldiers dressed in battle fatigues was in keeping with regulations.

[Begin recording] [Pinochet] We have a battle uniform. If one day we decide that the entire Defense Ministry should wear it, no one can say anything because it is our uniform. We were not wearing any special badges or anything. Nobody has done anything strange. Everything was normal. There is no problem.

[Unidentified reporter] Why do you think the administration has the impression that you went outside normal communications channels?

[Pinochet] Because when it was asked to... [pauses] There are over 100 documents that some people have not yet signed, some of them dating back to 1991, that is why.

We are not the ones that have bypassed normal channels. As I have told somebody else, when a bridge is down you use the ford to cross the river, right?

[Reporter] What importance does the Army assign to the lawsuits against military men?

[Pinochet] Look here, I will tell you something. The only thing we military men worry about is doing our job, carrying out our permanent tasks. We should be concentrating on what we are doing, and instead of testing a new weapon, trying out a new weapon, we have to worry about going and talking to some judge, where they keep our people waiting for four hours, and then they tell them to come back the next day because they did not have time to talk to them. That is not right. That is the problem.

[Reporter] Do you believe that the courts have not been implementing the amnesty law as they should have done?

[Pinochet] I am not getting involved in that.

[Reporter] Government Secretary General Enrique Correa said on 6 June that he had some concerns about the possibility of a coup d'etat.

[Pinochet] [laughs] That will be all. [end recording]

Says Government-Army Relations 'Cordial'

PY0706153593 Santiago Radio Chilena Network in Spanish 1100 GMT 7 Jun 93

[Text] General Augusto Pinochet has described relations between the government and the Army as cordial. In Arica, the Army commander in chief told the journalists that everything has been arranged.

[Begin recording] [Unidentified reporter] [question indistinct]

[Pinochet] I do not have, I do not have the honor [words indistinct].

[Reporter] Has the situation been overcome?

[Pinochet] But there is no situation.

[Reporter] [question indistinct]

[Pinochet] The talks held [words indistinct].

[Reporter] [question indistinct]

[Pinochet] What?

[Reporter] (?How would you describe) your relations with the government?

[Pinochet] They are at a very cordial level [words indistinct].

[Reporter] Do you agree with the government that all institutional ways are paved for solving conflicts?

[Pinochet] All ways should always be paved to solve conflicts. All ways must be paved in a conflict situation.

[Reporter] Do you believe they have not always been paved?

[Pinochet] I do not know. [end recording]

The Army commander in chief made these remarks upon his arrival in the historical northern city. Pinochet is heading the ceremonies to mark the anniversary of the capture of the Arica promontory.

Defense Minister on 'Setback' in Military Relations

PY0806031993 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 8 Jun 93

[Text] Defense Minister Patricio Rojas today ended over one week of silence, making a statement to the press about the military movement that took place on 28 May.

[Begin Rojas recording] Last week there was a setback, but I believe that from now on we will recover lost ground. Countries, economies, and even education may experience setbacks, but recovery is always possible, and I am firmly convinced that our chances to recover good civilian-military relations are solid.

I would also like to say that the country's defense policy as far as the military aspect is concerned has not been jeopardized, and there is broad agreement with the military institutions regarding institutional development, budget, training, and excercises, which are especially frequent at this time. [end recording]

Finance Minister Outlines Main Points of Tax Agreement

PY0506205593 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 5 Jun 93

[Interview with Finance Minister Alejandro Foxley by reporter Cecilia Serrano, place not given—live]

[Text] [Serrano] Good evening, Minister.

[Foxley] Good evening, Cecilia.

[Serrano] Well, one of the things that stands out in this agreement achieved between the government and National Renewal [RN] and businessmen, is this reduction of taxes on individuals. I think it would be very important for the people if you could explain, giving examples, the scope of this agreement so that they will understand the meaning of this agreement in practice.

[Foxley] Well, it implies that some 130,000 people who have been paying taxes every year will find that this tax has been reduced between 20 and 30 percent. For instance, an individual who earns 500,000 pesos monthly, when that individual pays his taxes by the end of the year, that is, in April, he will find that the tax was reduced at least 20 percent. But this reduction will be made gradually over two years because otherwise the impact on the fiscal budget would be too large.

[Serrano] Another item in this agreement is the creation of incentives to encourage savings in certain areas. What areas are you talking about? Do you mean saving accounts or saving debt invoices, for instance?

[Foxley] This is a very important aspect of the package. All known instruments, like saving accounts, savings in AFP [Pension Fund Administration Boards], mutual funds, and even shares are included. People will not pay taxes on what they save. Individuals will pay taxes only when they use their savings. A typical individual will then have an income tax reduction along with a deduction for the portion of his earnings that he saves.

[Serrano] Do you mean that if a person saves part of his income instead of spending it, he will pay less taxes?

[Foxley] That is correct. This is very important because sometimes people spend more than what they can afford or what they have to. In this case people are not only asked to save; they are rewarded for doing it.

[Serrano] Will this agreement allow the government to maintain the $800 million surplus that it obtained with the old tax system?

[Foxley] This decision will obviously affect the Treasury. We estimate that the cost will be $200 million over three years.

[Serrano] You mean revenues will be reduced by $200 million?

[Foxley] Right. But the first year it will only mean a revenue reduction of $30 million. We think this loss will be compensated for by economic growth and the resulting generation of more revenues.

[Serrano] Did you deal exclusively with economic matters? Or did you discuss political issues as well?

[Foxley] We obviously also had a political discussion. We wanted to give the country a signal, particularly at this time— I think people understand what I mean— showing that the most important political groups in the country can agree, regardless of who is in government and who is in the opposition. Second, we wanted to show that we understand each other regarding democracy, the need to consolidate and stabilize it, and the need to maintain economic growth. Last year we created 240,000 new jobs. This was possible because our economy is doing well. The economy does well in democracy and when the government and the opposition agree on basic principles. This is basically a political point. I must thank the RN, the people who participated in the discussions, and coalition legislators. I think we must be optimistic about a political class that has the capacity to look at the future and understand that it is essential to maintain good coexistence with democracy.

[Serrano] Minister, were you able to agree on other political issues that currently are being debated in Congress such as the electoral bill?

[Foxley] No, but these topics are included in our agenda and we will negotiate them in time. The good think about this agreement is the message that the election will not change the main political forces' capacity to reach an agreement, particularly between the coalition and RN. This message should bring calm to all Chileans because it means that the system will continue to function as well as it has in the past.

[Serrano] Minister, thank you for your participation in our program.

[Foxley] Good night.

Colombia

Congress Approves Bill Allowing Media Censorship

PA0406192793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 2 Jun 93

[Report by Guillermo Gonzalez]

[Text] A bill dealing with media censorship during periods of internal commotion and war was approved during a recent senate debate. The government is now allowed to prohibit the disclosure of any news report if it believes that the report will hamper any public force operation or jeopardize the life of any person.

These powers will be included as part of the presidential faculties allowed during state of emergencies.

According to the legislation approved during the 1 June senate debates, the government will be empowered with the following to regulate the media only during periods of war or internal commotion:

1. To use radio frequencies to broadcast information related to public order situations;
2. To subsequently penalize any person who uses the media to abet any crime;
3. To restrict the dissemination of any information that may disrupt the development of military operations.

[Begin Government and Interior Minister Fabio Villegas Ramirez recording] There is no intention of imposing a gag on the media, neither do the norms seek to impose any type of public opinion censorship. Some limitations are simply being proposed as to the manner in which some type of information is being transmitted, which could interfere with the reestablishment of peace or the war operations in detriment to the government's interests. [end recording]

Despite the fact that the bill establishes serious restrictions as to the way that some information should be handled by the media, the government and Congress completely agree that there is no gag on the Colombian media.

Authorities Say Tolima Poppy Plantations Pose Problems

PA0606150493 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 6 Jun 93

[Report by Jesus Garzon G. in Tolima]

[Text] The Army commander warned on 5 June that poppy plantations are the most serious problem facing the Colombian agricultural sector. The high-raking officer called on the peasants on Farmers Day to return to traditional crops and help overcome the crisis.

Southern Tolima Department, which is affected by guerrillas and poppy plantations, will receive all the government's assistance to return tranquillity to this part of the country.

[Begin Army Commander General Hernan Jose Guzman recording] We will work to determine how we can free the fields of these plantations and replace them with crops so peasants can earn a living. [end recording]

In a civic-military action in San Antonio Municipality in Tolima Department, civilian authorities reported that public order problems and unrestricted poppy cultivation have increased peasant migration.

[Begin Tolima Governor Ramiro Lozano recording] There is an unfortunate poppy plantation problem. Sometimes I think that we in the government are to blame. [end recording]

Authorities say the land in southern Tolima Department has been eroded by poppy plantations.

Military Plans To Fight Subversion Implemented

PA0606231193 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 6 Jun 93

[Text] Cartagena—New programs to fight subversion and organized crime on the Atlantic Coast have been implemented by the Armed Forces. These new programs include the creation of a mobile unit, increasing the number of soldiers, antikidnapping, and counterextortion groups, and stronger logistic support from the Air Force. This was confirmed in Cartagena by Military Forces Commander General Ramon Emilio Gil Bermudez, who presided over a promotion ceremony. In statements to the press Gen. Gil Bermudez said that despite the drop reported in the sale of war bonds, result of a ruling issued by the State Council, all the military plans are being carried out without delay because the necessary funds and resources are provided directly by the government.

Large FARC Camp Located, Seized by Soldiers

PA0606225893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 6 Jun 93

[Text] During an operation carried out by soldiers of the Starkey Counterguerrilla Battalion more than 100,000 rounds of U.S.- made .72 caliber bullets, 70 camouflage

uniforms, much dynamite, and valuable intelligence material were seized. The Army's 1st Brigade reports that this is the strongest blow dealt on the Ciro Trujillo Front of the Revolutionary Armed Forces of Colombia, FARC, that operates in the northeastern sector of Boyaca Department.

[Begin unidentified speaker recording] We located Camp 38 of the FARC. This camp is one of the largest that we have found in the area. We seized weapons, ammunition, explosives, and intelligence material. [end recording]

Several documents left behind by the guerrillas allowed the soldiers to locate two caches where the guerrillas had stashed away enough food to last them 30 days. The soldiers also found 10 shotguns and two rifles. Camp 38 was located in Jordan Municipality on the border with Casanare Department.

Venezuelan Rebel Soldiers Reportedly Seek Refuge

PA0706152393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 7 Jun 93

[Text] More than 60 Venezuelan soldiers have sought refuge in Colombia. Until now, only four cases of soldiers who escaped Venezuela following the coup attempt against Carlos Andres Perez were confirmed.

According to intelligence sources, however, more than 60 Venezuelan soldiers are currently in Colombia and have been here since November 1992, following the second coup attempt against President Carlos Andres Perez.

Most of them entered Colombia through the city of Cucuta and Parahuachon, La Guajira Department. Some of them sought political asylum but were unable to obtain it and are now staying with friends or relatives in Colombia. Others were protected by Colombian soldiers—some in active service and others retired—who belong to a group known as Organization of Military Men for Integration, Democracy, and Liberation of Latin America and the Caribbean. This organization of former Latin American military men was created in Argentina in 1986. It proclaims the sovereignty of peoples, and is anti-imperialistic with regard to the United States. Colombian General Jose Joaquin Matallana is one of its founders.

The Venezuelan soldiers who are in Colombia illegally have been trying for the past seven months to organize a political movement that according to them will be based on the ideals of unity of liberator Simon Bolivar. The members of this organization describe themselves as Bolivarians and seek a democracy in which the Armed Forces can actively participate.

A spokesman for the Venezuelan soldiers said they hope the Venezuelan Congress will soon approve the amnesty law so they will be able to return to their country and freely participate in politics.

Most of them are Venezuelan Army subofficers. Approximately 18 are officers. Some have settled along the Atlantic Coast, others in Santa Fe de Bogota, Valle del Cauca, and Pereira.

Immigrations authorities deny any knowledge of this situation.

* Ex-Guerrillas To Join DAS Rural Patrols

93SM0255A Santa Fe de Bogota EL ESPECTADOR in Spanish 25 Apr 93 p 10A

[Report by Hector Mujica and Julian Rios Rojas]

[Text] Taking advantage of past experience, the Administrative Department of Security (DAS) will launch an innovative program to help former guerrillas join rural patrols to combat crime.

The plan, which was explained to this newspaper by DAS Director Fernando Brito Ruiz, is intended to do away with cattle rustling and other forms of violence that occur in areas where the guerrillas operate.

Under the project, the reformed guerrillas will participate in the DAS Rural Patrols with officials of the secret agency, who will give them guidance and supervise their activities to make sure they do not abuse their authority.

The former guerrillas participating in the patrols will be coordinated by someone with experience in that area. They will not serve as Judicial Police, but will carry out some security functions with the members of the demobilized organizations who are receiving death threats.

According to the DAS director, the program will be implemented initially in the region of Arboletes and north of Uraba, in Antioquia, where the largest number of reformed guerrillas reside. They will be selected by their own leaders.

Brito Ruiz stated that the Rural DAS Patrols incorporating former guerrillas will need the support of institutions where they will be operating, such as the Interior Department of Antioquia.

Twin Profiles

Aside from the discussion of the feasibility of reformed guerrillas becoming rural agents of the DAS, there is the question of whether a subversive will really be psychologically prepared to enter the so-called rule of law.

A group of professionals in this area, interviewed by EL ESPECTADOR, agreed that there is absolutely no barrier, except for legal ones, for a guerrilla to become a DAS agent.

Moreover, it was found that even though they used to be in opposite camps, there are more similarities than differences between them.

The military's fear of this idea stems from the fact that the guerrillas were on the other side, and they will be regarded as alien beings because of their "politicized" training.

The guerrilla is a person who, independently of the horror of war, kidnappings, and criminal acts, must receive training that is highly committed to principles.

"It is not a question of justifying their actions because many of them have abandoned their original ideals, but in general, one can assume that they give more priority to the good of the people than to their personal interests."

In general, a person drawn to military life can be described as someone who has an exaggerated desire for justice, and who has excellent interpersonal skills, a very well-developed capacity for service, tremendous bravery, the ability to discern cause and effect, a willingness to defend sublime and intangible ideals, perfect discipline, solid humanistic training, and a propensity to take preventive action in preference to repressive action.

"I think, though, that this profile is not accurate, and they are not guerrillas. They are the people who are there to safeguard the life, honor, and property of their fellow man. The concept of respect and credibility with regard to law enforcement authorities is very rare in our society," comments Orlando Villacorta, a psychologist at Cedavida, a social agency that works with victims of political violence.

If the profile of the ideal soldier is appropriate, then the guerrilla is ideologically equipped to join the military.

What is not yet clear is whether the humanistic and politicized training provided by the subversives can be adapted to encompass ideal concepts such as the fatherland, the flag, or the national seal.

"I do not think that the Armed Forces are any less politicized. In my opinion, they are politicized. They work for a government, and that gives them a certain position to defend. Besides, they are part of a repressive body, and that is another policy. The Constitution states that the military cannot express any opinion. In my view, they should be the first ones to participate actively with the community in helping to solve their problems," muses Villacorta.

* Navarro Wolff Discusses Political Platform

93SM0254A Santa Fe de Bogota EL TIEMPO in Spanish 26 Apr 93 p 7A

[Interview with Antonio Navarro Wolff, presidential candidate for the Democratic Alliance/April 19 Movement; place and date not given]

[Text] Although many had been expecting it for a long time, when Antonio Navarro Wolff returned to the country from his tour of Europe last Christmas, there was very little media coverage of the event. There was a time, in early 1993, when no one knew very well where either Navarro or the Democratic Alliance/April 19 Movement were, physically or politically.

The movement that brought him to prominence in national politics began to disintegrate, analysts say, because it had no ideological life to give it meaning and cohesion. Everyone tried to "adjust the load" on the run, so that no one would see the conceptual vacuum that is causing its structure to crumble.

In this situation, not even the old optimism that always appealed to the imagination to overcome the most complex obstacles will solve the problem.

Nevertheless, Navarro is still considered a key player in the upcoming elections. As such, he is our guest today in "The Presidential Candidates Propose."

[EL TIEMPO] If you are elected, what will be the priorities of your government?

[Navarro Wolff] It is relatively easy to state them. The hard part is knowing how to state them in such a way that people will listen to us and believe us. Procedure has a lot to do with it. We must make proposals in action: things that are said and are being done.

The first proposal is a change in the political system. The second is peace. The third is to combat social inequality.

[EL TIEMPO] Do you think the political system can and should be changed?

[Navarro Wolff] I think we must try again in 1994, but through the executive branch rather than the legislative branch. We must lend continuity to the Constituent Assembly. We must change the corrupt system of political patronage and alter the relationship between the executive and legislative branches. Fighting corruption and political patronage is one of my presidential priorities.

[EL TIEMPO] How can Colombians attain peace?

[Navarro Wolff] It is not easy to attain. Today the government and the Defense Ministry are acting overconfident. In years past, it was the Coordinating Committee that was overconfident. Those who think they will win the war are mistaken. The problem is not one of presenting peace plans; we must negotiate. We must go into negotiations with national and international mediation so that agreements can be developed. Everything must be the result of negotiation, and to be successful, it must be done within the framework of respect for people's rights. In a peace process, there is arms control, but during a war it is more difficult. Power is still the political objective of the guerrillas. But there are still other valid alternatives for them, and peace can be one of them.

[EL TIEMPO] What is your formula for combating social inequality?

[Navarro Wolff] Stable development cannot be possible if the problem of social justice is not solved. It is

imperative that we make an effort to do so. Colombia has the money to undertake a program of basic social justice, to provide for the health and welfare of the entire population. We need to provide low-income housing, but with a stratified subsidy. An educational strategy would be the universalization of basic education up to the ninth grade. The education budget must be expanded by 50 percent. We must invest in infrastructure. We must emphasize night school and technical education. We must develop a strategy for health and for the elderly. And we need to promote social organization so that social investment will be effective.

[EL TIEMPO] Will there be agrarian reform?

[Navarro Wolff] I think agrarian reform should be promoted by the state. The program should give peasants vouchers to buy the land they select. The state should promote social organization, or else what good is it?

[EL TIEMPO] What would you do on the economic front?

[Navarro Wolff] With regard to economic policy, the central objective is a 3-percent growth rate over 70 years, and to produce goods, and provide employment. At present, what we have is an emphasis on construction, services, and raw materials. But I think we are in a position to produce goods.

[EL TIEMPO] Let us talk about employment policy....

[Navarro Wolff] Employment policies are difficult. We need to improve the quality of employment in the informal sector, providing credit and training in this sector. We also need special plans to enable young people to be hired by the hour.

[EL TIEMPO] What do you propose to do to protect the environment?

[Navarro Wolff] The enemy of the environment is poverty, so it is necessary to set up a state environmental fund. There is a very great problem, and that is that imported cars come without filters. We must look at the automobiles being driven in Bogota and implement restrictions and police controls.

[EL TIEMPO] What is your position on opening up the market?

[Navarro Wolff] The Latin American market already exists. Colombia sells more nontraditional exports to Latin America than to the United States. The reality of the open market is Latin America, especially Venezuela, the Andean area, and Central America. The North American Free Trade Agreement (NAFTA), made up of Canada, the United States, and Mexico, does not have good prospects, and without investment, there is no chance of success. I think the NAFTA countries have a lot of prejudices against ties between Venezuela and Brazil.

[EL TIEMPO] What is really going on internally in the Democratic Alliance?

[Navarro Wolff] People have written us off. Everyone is asking what we are doing. Democratic Alliance was born from the top down. But I think there is no other alternative but to be involved in everything and to have options everywhere. We will be in the second round of the presidential elections.

* Development Minister on New Industrial Strategy

93SM0265A Santa Fe de Bogota EL ESPECTADOR in Spanish 3 May 93 p 3B

[Article by Luis Alberto Moreno Mejia, minister of economic development: "Need for an Industrial Strategy"]

[Text] The first phase of the process of internationalizing the economy was aimed at redefining the role of the government and private parties in economic activity. It is the task of the former to provide a stable macroeconomic environment within which the latter may engage in their activity and thus become a driving force of the productive apparatus.

The first step toward that objective was macro-type reforms in the areas of labor, finance, exchange rates, foreign trade, and so on. However, our attention must now turn to minireforms as an indispensable complement to the former.

A fundamental element of this process is the adoption of an industrial strategy aimed at increasing the efficiency and productivity of our productive apparatus through the introduction of advanced technologies aimed at making production more competitive vis-a-vis industries in other countries, where such reforms are already a reality.

Industry must be provided with a greater number of tools so that it may develop successfully, given the fact that market forces do not operate perfectly. The government is thus forced to intervene actively in order to make up for whatever gaps and deficiencies we still suffer in fields such as technology and long-term credit.

This is why, on Thursday, the Ministry of Development introduced to CONPES [National Council for Economic and Social Policy] the main lines of what is to be an industrial strategy enabling our industries to play the fullest possible role on the domestic market and beyond our borders.

As an integral part of this strategy, special attention will be paid to the introduction of new technologies into the productive process as the best way to improve efficiency, quality, and productivity. The government will provide both tax and long-term credit incentives because we now realize that until we incorporate modern technologies, it

will be impossible for us to achieve the level of competitiveness required for successful globalization of the economy.

This must become one of the country's top priorities and the government must devote maximum resources to it, inasmuch as it is a matter of catching up with other countries and emerging from our position as a Third World nation, embarking upon the path of true development.

Such efforts must be accompanied by the proper training of labor, which must assimilate new technologies and changes in business administration and management so as to improve our performance and competitiveness.

All of these factors, combined with reforms introduced into regulation and control and increased cooperation as the best means of communication and information between the public and private sectors, will enable business to assume its proper responsibilities within the new economic framework.

The responsibility shared by government and business is very great because, after so many years of protectionism, we must achieve greater economic development. This in turn will result in more jobs and a stronger national industry where the expression, "Made in Colombia," will be synonymous with quality and excellence.

* Role of Private Sector in New Industrial Policy

93SM0265B Santa Fe de Bogota EL TIEMPO in Spanish 1 May 93 p 7B

[Text] *June Deadline for Regulating Industrial Policy*

Associations must be ready to do research, provide expert advice to the government and its partners, and promote technological development, according to a proposal from Minister of Development Luis Alberto Moreno.

The private sector cannot lag behind reforms undertaken by the government in its effort to deregulate the economy, open up markets, and modernize government agencies. It must also have its own "upheaval."

The Ministry of Development's industrial policy document contains a vigorous appeal to business unions to become a viable partner and thus derive maximum advantage from partnership with the government.

The economic team agreed that the role of unions must undergo an urgent redefinition within the productive sector and in terms of its relationship with other branches and the government.

"Since it will be the private sector that must face the competition which the new model of development proposes, the action of unions must be aimed at undertaking activities that lay the foundations for self-sustained competitiveness in medium- and long-range terms," the document approved by the National Council on Economic and Social Policy (CONPES) states.

The ministry's proposal is clear. Associations must be ready to do research, provide expert advice to the government and its partners, and become the promoters of technological development.

They must therefore upgrade their information and training departments in order to provide members with the tools they need to compete on the basis of the new rules of play dictated by the opening.

In so doing, unions will be "in tune" with the new industrial policy, which does not intend to discriminate against or favor any manufacturing sector.

Unions will therefore be able to channel energies previously wasted on lobbying during the past protectionist period vis-a-vis other activities.

Technological Support

The basis of the new industrial policy is the strengthening of the technological infrastructure. The justification here is that, unlike other mechanisms such as subsidized interest rates and other tariffs, the government will be able to reduce aid based on the certainty that competitiveness gained by business will be permanent.

Action will be taken to support the acquisition and purchase of technology, promote quality, and upgrade technological training.

In order to provide the financial sector with resources, CONPES has set June as a deadline for the regulation of the Industrial Modernization and Technological Development Fund (FOMITEC), which will start out with 10 billion pesos supplied equally by the Industrial Development Institute and Colciencias.

These resources will be combined with the $40 million arranged with the Inter-American Development Bank (IDB) to support research and development, making a total of $68 million when the national contribution is added.

An agreement has also been signed with the European Community to set up the Business Information and Technological Dissemination Center (COCETT), which will connect businessmen with a data base for industrial technology, markets, products, and raw materials.

A national system of guarantees operated by private funds will also be set up to guarantee the access of small and medium-size industries to credits from the financial sector.

The industrial strategy also contemplates institutionalizing channels of cooperation between the public and private sectors, promoting competition, and reducing red tape in the superintendencies of corporations, industry, and commerce.

* Factors Influencing Fiscal Deficit Discussed

93SM0256A Santa Fe de Bogota EL TIEMPO in Spanish 26 Apr 93 p 1B

[Report by Silverio Gomez C., EL TIEMPO economics editor]

[Text] The "fall" of the war bonds seems to be only a small part of the eventual unraveling of the government's revenues this year.

At the Finance Ministry and in the highest echelons of government, there is already talk of a 371-billion-peso shortfall in budgeted revenues in 1993 just from the income tax. Revenues from the value-added tax (IVA) will fall short by another 20 billion pesos. These figures, added to the 210 billion pesos that must be paid back for war bonds, yield a total of 600 billion pesos.

Some private experts believe, however, that the gap is already 800 billion pesos, including the effects of the court decision on war bonds.

At any rate, the problem is disturbing: The budget deficit, officially estimated at 1 percent, is now 2.2 percent of the GDP [gross domestic product], the parameter that experts use to measure this economic variable.

The board of directors of the Bank of the Republic does not have the figures yet; presumably, its members will "scream bloody murder" when they find out about this, because it will almost certainly mean a revision in the short-term goals that the bank sets for the Colombian economy. It is taken for granted that there will be discussions between the directors and Finance Minister Rudolf Hommes.

Finance Ministry experts are working on determining the exact amount of the revenue shortfall and its impact on the fiscal structure. In a few days an official report on the situation will be submitted to the president and the board of directors.

But the surprise about the real situation goes beyond that. Private experts studying the performance of the national economy will also have to revise their calculations. As recently as last week, they were still talking about a deficit of 0.1 percent, which is too far off the mark.

Miscalculations

The major drop in government revenue is the result of two factors: the statistical overestimate of revenues from the "hasty" tax reform program of last year, and court decisions that have "undone" methods such as the adjustments for inflation and the war bonds. Even within the government, there is already talk of the weak legal arguments presented by the team that is working on this issue; it is ridiculous that inconsistencies in the legal arguments should cause the methods to be rejected.

Last year's statistical projections for 1993 tax revenues turned out to be overly optimistic. The most telling examples are:

- In early 1992, the government decided to increase withholding at the source by about 50 percent. Revenues grew significantly during that period, but no one calculated the total impact on 1993 revenues, in view of the fact that source withholding in one year applies to the next year. The government will take in about 71 billion pesos less than projected, according to preliminary estimates, although it is entirely possible that the shortfall will amount to 130 billion pesos in 1993.
- Last year's tax reform program allowed 100 percent of the IVA paid for purchasing fixed assets to be deducted from the income tax. The government believes that it will lose only 20 billion pesos as a result of this provision, but off the record, some officials say it will lose as much as 100 billion.
- Although it has not been officially acknowledged, the increase in the IVA from 12 to 14 percent has not resulted in an increase in revenues, because the goods that are exempt from the tax are worth much more than those that are taxable. The reduction in revenues during the first two months was 11 billion pesos, and although it is argued that the situation will improve over the next few months, officials privately admit that the decline may be as much as 50 billion pesos. The truth is that despite all the hype, the IVA is not keeping pace with inflation.
- At first it was estimated that the inflation adjustment system would yield a net 120 billion pesos for the government. Things changed because of a court decision that threw out part of the system, but in addition, the government thinks that big business has come up with complicated evasion schemes.

"National Taxes is devising a program for visits to business firms to oversee the situation. It will be under way in less than a month. Basically, it will consist of clear, open, frank visits with businesses," announced Pedro Nel Ospina, head of Taxes and Customs.

The government calculated a deficit of 1 percent of GDP for this year, 450 billion pesos in absolute terms. This amount is considered manageable within the goal of keeping inflation at 22 percent, although the board of directors of the Bank of the Republic thought a greater effort should be made to shrink the deficit.

Now the matter becomes more serious: The reduced revenues will add another 0.7 percent to the deficit, and the fall of the war bonds will account for an additional 0.5 percent, for a total deficit of 2.2 percent. Some sources say that the deficit could climb as high as 2.5 percent if the calculations become more accurate and public spending, which is growing faster than planned in some cases, is taken into account.

What will the directors of the Bank of the Republic tell Minister Hommes now? Will they keep the inflation goal

at 22 percent, when the budget deficit is twice as big? Will Hommes negotiate the Bank of the Republic's losses of 70 billion pesos, which the national budget will now have to cover?

One thing is certain right now: The government is preparing a program to cut public spending by nearly 250 billion pesos to deal with the problem. Those in the know say this is the only thing that can be done, since elections are just around the corner and like any government, it wants to fulfill most of its promises, for which it needs money.

But taxpayers can derive comfort from one thing: There will be no more tax reform in this government.

Ecuador

'High-Powered' Bomb Destroys Part of State-Owned Company

PA0406171193 Paris AFP in Spanish 1613 GMT 4 Jun 93

[Text] Quito, 4 Jun (AFP)—A high-powered bomb on the morning of 4 June destroyed part of the offices of the State-owned Telecommunications Company (Emetel) in the city of Riobamba, 240 km south of Quito. No casualties were reported in the fifth attack that is registered so far this year in this Andean city, police have reported.

The explosive device detonated at about 0550 (1150 GMT) and it destroyed the windows of several offices and public telephone booths of Emetel.

The explosion, which caused millions in losses, also partially demolished the building housing the Library National System (Sinab) in Riobamba.

Police Captain Jorge Silva reported that the identity of those who carried out the attack is not known, but investigations to locate and punish them are currently under way.

One week ago, an attack against the residence of Abraham Rosero, deputy for the Province of Chimborazo, was also registered.

So far this year, five dynamite attacks have been perpetrated in this Andean city against public and private properties.

On 27 May, a medium-powered, homemade bomb destroyed the installations of the first floor of the Ministry of Industry, Commerce, Integraton, and Fisheries in Quito, at the time of a nationwide workers' strike that had begun on 26 May.

Paraguay

Mercosur Not Opposed to Paraguay's Membership in GATT

PY0406225493 Asuncion HOY in Spanish 4 Jun 93 p 3

[Text] Experts from Argentina, Brazil and Uruguay—the Common Market of the South [Mercosur] countries—support the idea of Paraguay joining the GATT. At the end of a meeting at the Integration Ministry, Ruben Fadlala, acting minister of industry, commerce and integration, said: "It is a valuable asset that will strengthen Mercosur."

Fadlala said that because of a misunderstanding, Paraguay's partners in Mercosur conditioned its joining the GATT. He said that once the misunderstanding had been overcome everything was resolved.

Fadlala explained there was a misunderstanding over the cost of Paraguay's membership of the GATT, adding this will not affect in any way the economic interests of the other Mercosur members.

He added that Mercosur members as a bloc will negotiate with the GATT their respective tariffs once the single trade tariff is established. This it is believed will take some time.

Mercosur Member Countries Agree on Duty Mechanism

PY0806004693 Asuncion ABC COLOR in Spanish 5 Jun 93 p 17

[Text] Mercosur [Common Market of the South] government experts have agreed to use compensations—each country will do this independently—on products that end up with common external tariff levels above those established through an agreement with GATT. The decision was approved during a technical meeting held at the Integration Ministry in our capital on 3 June. The meeting ended with a Mercosur members' declaration supporting Paraguay's entry into the GATT system.

It is worth mentioning that beyond the formality of the technical meeting, Mercosur national representatives found the exact formula to overcome a difficult hurdle. Argentina, Brazil, and Uruguay had expressed fears that bilateral agreements signed by Paraguay to join the GATT system could establish certain limits for a Mercosur common external tariff system, which is currently being discussed by the affected parties in the four countries.

It was not easy to separate the differentiating and at the same time binding aspects that motivated the urgent meeting of the four Mercosur nations' technical experts. In one corner, the imminent entry of our country into the GATT system—Paraguay's entry will be formalized in Geneva between 15 and 16 June—with an entire list of some 507 products with preferential tariffs near consolidation; and in the other corner, the struggle that is still going on in each of the Mercosur member countries to

define tariffs criteria and the lists of products that will be included in a common external tariff system.

Fortunately, after long deliberations during which Paraguayan representatives avoided taking a stand on the insistent suggestions that the country's entry into the GATT system be postponed for one more month, in order to make a more careful analysis of the tariff question, our delegation made a clarification that satisfied all existing doubts on the matter.

Paraguay, just as any other sovereign nation, firmly maintained its decision to respect and demand respect for the tariff system negotiated before joining the GATT system. It made clear, however, that those tariff levels should not be interpreted as limiting the Mercosur common external tariff system which is still under study.

Paraguayan representatives emphasized that tariffs already consolidated should not be used as a tool to pressure other member countries for a certain common tariff level, adding that when member countries approve the final version of a common tariff system they could revise their lists—historic patrimonies—which are already consolidated into the GATT system, to establish the appropriate compensation, in accordance with Articles 24 and 28 of the multilateral trade organization clearly establishing the possibility of incorporating corrections to benefit trade flows.

An understanding did not take long to materialize. The representatives of Argentina, Brazil, Paraguay, and Uruguay committed themselves not to make an irreversible use of concessions below 35 percent in order to remove pressure from the future Mercosur common external tariff system.

Such compensations are done with products, through quotas, but they are generally granted in the form of tariff preferences on products.

It was, without a doubt, the best way out for something that did not look good. The agreement resulted in a declarations supporting our country's entry into GATT, and the commitment to carry out future negotiations to adjust the tariff differences which will inevitably occur with the approval of a common external tariff system. The same thing happened in the EC not long ago, when countries had to grant concessions to adjust to the new order.

Armed Forces Organization Bill Published

PY0606235093 Asuncion ABC COLOR in Spanish 5 Jun 93 pp 4, 5

[Text] Yesterday the executive branch sent to Congress the draft bill on the Armed Forces' general organization. The government had withdrawn the bill from the Senate the week before in order to make some changes. The bill again proposes the creation of the position of military forces commander. According to the document, this command is made up by the following departments: a) High Command, the Joint General Staff, and the Personnel General Staff; b) Army, Navy, and Air Force Commands; c) Logistics Command; d) War Materiel Directorate; and e) other units. The text of the draft bill made up of 48 articles is as follows:

Draft Bill Number....on the Armed Forces' General Organization

Article 1. This law establishes the Armed Forces' general organization.

Title 1—About the Institution

Single Chapter—Purpose

Article 2. The Armed Forces are entrusted with the protection of our national integrity and the defense of legally established authorities.

Article 3. In order to fulfill their duties the Armed Forces must:

a) Maintain the inviolability of our ground, river, and air space borders;
b) Organize, equip, and train its forces in order to face any aggression;
c) Organize, incorporate, and administer the reserves;
d) Cooperate with civil defense efforts;
e) Cooperate in reestablishing internal order when the president of the Republic so decides by issuing a formal decree and;
f) Defend legally established authorities.

Title 2—Structure and Organization

Chapter 1—Organizational Basis

Article 4. The Armed Forces are an institution organized on a permanent basis, professional, non-deliberative, obedient, subordinated to state powers, and subject to the Constitution and laws.

Article 5. The military service is ruled by laws and regulations.

Chapter 2—Armed Forces Composition and Organization

Article 6. The president of the Republic is the Armed Forces' commander in chief, a position that cannot be delegated.

Article 7. The Armed Forces is made up of the military forces and their reserves.

Article 8. Military forces' duties are to conduct strategic or tactical actions and/or independent, joint, or combined operations.

Article 9. Military forces' reserves will complete the body of Armed Forces personnel when facing situations derived from the fulfillment of its constitutional duties.

Article 10. The Armed Forces Command in Chief is made up of:

a) The Military Forces Command;
b) Military justice;
c) The Military Bishopric; and
d) The Presidential Guard.

Article 11. The Armed Forces commander in chief will have the following responsibilities:

a) Exercise the effective command of the Armed Forces;
b) Maintain the Armed Forces' training for better fulfillment of their mission;
c) Preside over the Armed Forces' Promotions Board to discuss matters established by the law; and
d) Other responsibilities granted by laws, decrees, and regulations

Chapter 3. Military Forces Organization and Composition

Article 12. The Military Forces Command is made up of:

a) The High Command:

—Joint General Staff,

—Personnel General Staff
b) Army, Navy, and Air Force commands;
c) Logistics Command;
d) War Materiel Directorate;
e) Other units.

The organization and operation of the preceding command structure will be regulated.

Article 13. The Military Forces Command will be exercised by an officer with the rank of Army general, admiral, or Air Force general.

Article 14. The military forces' commander has the following duties:

a) Advise the commander in chief on military matters;
b) Propose to the Armed Forces commander in chief:

1. Military regulations;

2. The organization and distribution of military forces;

3. Plans for national defense;

4. The use of military forces for the fulfillment of their mission according to the Constitution;

5. The appointment and removal of military forces' commanders and military personnel who, besides command responsibilities, are authorized to order expenditures and pay for them.
c) Organize and appoint members to the Armed Forces' Promotions Board; and
d) All other functions established by laws, decrees, and regulations.

Title 3—About the Army, the Navy, and Air Force

Chapter 1—About the Army

Article 15. The Army is the ground force that carries out strategic and tactical operations. It plans and conducts the operations carried out by its large and organic units and all other units under its control, which it supports in fulfilling their specific missions.

Article 16. The Army's effective command will be exercised by a division general who will be responsible for the operational command of all large units and other units placed in his chain of command and control. He also will:

a) Propose the appointment of commanders for his subordinate commands to his superiors;
b) Move and transfer personnel and appoint commanders from the ranks established in the regulations for this law; and
c) Propose to his superiors the allocation of resources in personnel, materiel, and funds, according to the Table on Organization and Equipment (TOE), for the appropriate fulfillment of his mission.

Article 17. The Army command structure is made up of:

a) The High Command:

—The General Staff

—The Personnel Staff
b) The Army corps commands;
c) The Army military training institutes commands;
d) The Army Artillery Command;
e) The Army Engineering Command;
f) The Army Communications Command; and
g) The Army's special forces.

Article 18. The Army has territorial jurisdiction over:

a) Army corps zones; and
b) Army divisions zones.

Chapter 2—About the Navy

Article 19. The Navy is the force responsible for carrying out naval strategic and tactical operations. It plans, prepares, and conducts operations carried out by its large units, organic units, and other units under its control, which it supports in fulfilling their specific missions.

Article 20. The effective command of the Navy will be exercised by a vice admiral who will be responsible for the operational command of all large units and other units placed in his chain of command and control. He also will:

a) Propose the appointment of commanders for his subordinate commands to his superiors;
b) Move and transfer personnel and appoint commanders from the ranks established in the regulations for this law; and

c) Propose to his superiors the allocation of resources in personnel, materiel, and funds, according to the Table on Organization and Equipment (TOE), for the appropriate fulfillment of his mission.

Article 21. The Navy Command is made up of:

a) The High Command:

—The General Staff;

—The Personnel Staff.
b) The War Fleet Command;
c) The Marine Infantry Command;
d) The Naval Aviation Command;
e) The Combat Support Command;
f) The Navy Training Institutes Command;
g) The General Naval Prefecture;
h) The Service Support Directorate; and
i) The Materiel Directorate.

Article 22. The Navy has jurisdiction over:

a) All navigable water courses, lakes, and islands within the national territory;
b) Navy zones and other Navy installations.

Article 23. Naval areas are organizations for the safekeeping and defense of coasts, ports, and national river and lake zones.

Chapter 3—About the Air Force

Article 24. The Air Force is the force responsible for carrying out strategic and tactical operations. It plans, prepares, and conducts operations carried out by its large units, organic units, and other units under its control, which it supports in fulfilling their specific missions.

Article 25. The effective command of the Air Force will be exercised by an Air Force division general who will be responsible for the operational command of all large units and other units placed in his chain of command and control. He also will:

a) Propose the appointment of commanders for his subordinate commands to his superiors;
b) Move and transfer personnel and appoint commanders from the ranks established in the regulations for this law; and
c) Propose to his superiors the allocation of resources in personnel, materiel, and funds, according to the Table on Organization and Equipment (TOE), for the appropriate fulfillment of his mission.

Article 26. The Air Force is made up of:

a) The High Command:

—General Staff;

—Personnel Staff.
b) Air brigades;
c) Airborne brigades;
d) Logistics brigade;
e) The Air Force Training Institutes Command; and
f) The Air Regions Command.

Article 27. The Air Force has jurisdiction over:

a) The national air space;
b) Air regions;
c) Air bases; and
d) Other Air Force installations.

Article 28. Air bases constitute the Air Force infrastructure used to support its components.

Title 4—Territorial Organization

Single Chapter—About Territorial Division

Article 29. The military forces' jurisdictional articulation is given in zones or Air Force regions.

Article 30. Basic factors determining territorial divisions are:

a) When military forces are used:

Field of operations;

Interior zones;

Defense zones.

When Army forces are used:

Army corps zones;

Division zones.

When Navy forces are used:

Rivers, navigable water courses, lakes, naval areas.

When Air Force units are used:

Air space;

Air regions.
b) Specific geographic aspects in each national territorial region; and
c) The political administrative division of the country.

Article 31. Navy or Air Force units based within Army territorial responsibility zones can be placed under Army operational control by orders of the military forces' commander.

Title 5—Commands

Single Chapter—About the Operational and Territorial Commands

Article 32. The commander in chief will be able to create other commands organized from elements of different forces for their use in specific military operations. These commands will fulfill operational and territorial operations.

Article 33. The operational commands are responsible for all matters related to the organization, direction,

coordination, and control of their elements for the fulfillment of specific missions.

The territorial commands have the following responsibilities:

a) Territorial defense against external actions jeopardizing internal order;
b) Recruiting and administering the reserves;
c) Preparation of mobilization;
d) Military instruction of the reserve cadre;
e) Defensive organization of the territory against land, sea, and air attacks;
f) Security, control, and vigilance of the borders; and
g) Cooperation for the operation of basic services for the benefit of the people in different parts of the country.

Article 34. The Theater of Operations Command will be made up of elements of more than one force to carry out joint or combined military operations in a selected area.

Article 35. The Interior Zone Command will be made up of elements of more than one force to carry out joint or combined military operations to provide security in the interior.

Article 36. The Defense Zone Command, "Army Corps Zone," has a permanent nature. In peacetime it covers the entire national territory, and in a state of national defense it exists separately from the parts of the territory that were included in the theater of operations by higher authority.

Article 37. These commands will have:

a) General headquarters; and
b) Elements of the three forces.

Title 6—About the Organization of the Armed Forces in Times of a State of National Defense

Chapter 1—About the Organization and Composition

Article 38. The nation's Armed Forces in times of a state of national defense will be made up of the military forces and their respective reserves when they are called up and mobilized.

Article 39. The organization of the nation's Armed Forces in times of state of national defense is the same force as the one established for times of peace with the difference that their members and equipment will be completed in accordance with the organization and equipment chart for times of a state of national defense.

Article 40. Other special forces to carry out specific missions can be organized.

Chapter 2—About Mobilization

Article 41. The executive power will decree the mobilization of the reserves in case of a state of national defense.

Article 42. The commander in chief, in case of a threat of international attack on the country, will order the preparatory mobilization measures before it is decreed by the executive power.

Article 43. The mobilization may be general or partial in accordance with national defense needs.

Article 44. The mobilization is mandatory for all Paraguayan citizens called.

Title 7—Final Provisions

Single Chapter

Article 45. The national Defense Ministry will be in charge of the administrative functions of the nation's Armed Forces.

Article 46. The executive power will regulate this law.

Article 47. Law No. 74/91 of 20 November 1991 and all the provisions contrary to this law are hereby abolished.

Article 48. The executive power is hereby notified.

Peru

Fujimori Proposes Special Free Zone for Korean Companies

PA0606142593 Lima Global de Television Network in Spanish 0100 GMT 4 Jun 93

[Text] Peru has proposed to the ROK Government the creation of an industrial free zone in Peru for Korean companies. President Alberto Fujimori made the proposal on the second day of his official visit to Seoul, where he followed a very busy schedule of activities.

President Fujimori began the second day of his visit to the ROK by receiving the president of the Korean International Cooperation Agency in the presidential suite of the (Sheiya) Hotel where Fujimori is staying. The president and his guest discussed the aid programs that have been formally implemented to improve bilateral trade and cooperation relations.

Shortly after the meeting, President Fujimori and his children visited the National Museum in the Seoul Historical Center, which houses Korean cultural exhibits. The president was impressed by Korea's cultural heritage.

The president then went to the National Assembly and was received by the Assembly president, who hosted a luncheon in Fujimori's honor and predicted great success for Peru's reforms. The Peruvian President then gave a impromptu speech thanking the National Assembly for its generosity and inviting the Assembly president and a small multiparty delegation to Peru.

[Begin Fujimori recording] To continue consolidating these mutual relations, I invite the president of the National Assembly and a multiparty delegation to Peru

to continue the search for common ties between our countries. I toast the president of the Korean National Assembly and Peruvian-Korean friendship. [end recording]

Continuing with his busy schedule, the president visited the Daewoo Construction Equipment Plant, where he was received with warm welcomes in Spanish and Korean by management and employees. He was accompanied on his tour by 19 Peruvian businessmen from (Comtiebe), the National Industries Association, and the Chamber of Commerce. During the tour the president noted the latest advances in road construction equipment and was especially interested in equipment suitable for road development programs. He later returned to his hotel and there spoke with the Korean deputy prime minister, with whom he held a private discussion on bilateral issues.

At the end of the day President Fujimori disclosed the proposals made to the Korean Government, including the creation of a free zone in Lima overlooking the Pacific Ocean especially for Korean companies. He said the Peruvian Government would designate 100 hectares for small and medium-sized Korean companies.

On another topic, the president announced that an agreement was signed to guarantee and protect Korean investments in Peru as an incentive for Korean businessmen.

Congressman Backs Initiative

PA0606233093 Lima Global de Television Network in Spanish 0100 GMT 6 Jun 93

[Text] Congressman Victor Joy Way has said with regard to President Alberto Fujimori's idea to give Korean enterprises a free zone, that the legal framework for doing this exists and that it is valid for any country or enterprise wanting to invest in Peru.

[Begin recording] [Reporter] What is the legal framework?

[Joy Way] The legal framework was established 18 months ago. This framework calls for seven free economic zones: two commercial and touristic zones, in Tumbes and Tacna; and five industrial zones in (Pay), (Tapisco), and Matarani, among other cities.

It is important that we have a legal framework and the possibility of free zones being created. The investors are the ones who assume the risks. The government will not build infrastructures, or put up the power lines, or build the roads. No! Peru tells investors: Sir, here is the law. See the advantages that Peru offers. If you want a free zone, you can have a free zone.

But, what is a free zone? It is a place where you produce goods for export. [end recording]

Shining Path Said To Kill Tarica Authorities

PA0706152293 Lima Panamericana Television Network in Spanish 1200 GMT 7 Jun 93

[Telephone report by Fernando Granda Benitez from Tarica with questions by Panamericana anchorwoman Roxana Canedo—live]

[Text] [Canedo] Good morning, Fernando.

[Granda] Good morning, Roxana. Good morning Peru.

[Canedo] Fernando, we will listen to your report carefully and attentively. Go ahead. We regret what happened there.

[Granda] What has happened here in Tarica, 17 km north of Huaraz is indeed regrettable. Unidentified individuals murdered Lieutenant Mayor Walter Camilo Lopez, 34, a member of Change 90 and former mayor Francisco Loli Santillan, 62. The horrible crime has upset residents of Guailaz Street because of the manner in which the victims were beheaded scarcely a few meters from their homes. I must add that Tarica District does not have a police garrison or telephone service.

Camilo Lopez' desperate mother said her son had no protection, although he had requested it from the proper authorities. The victims' bodies are lying in state at the Tarica District Council building.

[Canedo] Fernando, it is said that this group of Shining Path assassins had also planned to murder—by God—an Italian priest. Is this true?

[Granda] Yes. On 6 June a police source said these individuals traveled to Jangas District, on the border with Tarica, where they were, in fact, searching for a priest. They did not find him because he was in Lima.

[Canedo] There are also reports to the effect that despite the priest's absence he had the protection of peasant patrols. Can you confirm this?

[Granda] Yes. For some time the peasant patrols have been playing an important role in the black mountain range area and of late they have been protecting churches.

[Canedo] Have you anything to add, Fernando?

[Granda] Only that it is regrettable that this incident took place in this tourist spot, which has been so peaceful of late.

[Canedo] We will achieve peace with the help of all good Peruvians. Thank you Fernando. We will keep in touch with you.

[Granda] Good day, Roxana. Good day, Peru.

Government Declares State of Emergency in Puno Provinces

PA0506182093 Paris AFP in Spanish 1706 GMT 5 Jun 93

[Text] Lima, 5 Jun (AFP)—At least six peasants were killed and two others seriously injured on 4 June when an abandoned rocket exploded. The rocket had presumedly been left behind by a subversive group in a coffee field in Bajo San Juan-Puerto Victoria, La Merced Province, Junin Department, east of Lima, police reported on 5 June.

The rocket, which practically tore its victims to pieces, had been found by one of the peasants, who along with his companions began hitting the projectile in the belief that it was a dud.

Police said that the device could have been abandoned by subversives operating in areas declared to be emergency zones.

In addition, the government has declared a state of emergency for 60 days starting on 7 June in three provinces of Puno Department, 1,300 km southeast of Lima, "to facilitate antiterrorist operations," it was officially reported.

The emergency decree, published in EL PERUANO official gazette on 5 June, affects Carabaya, Sandia, and San Antonio de Putina Provinces.

The measure, which suspends constitutional guarantees and puts the Armed Forces in charge of maintaining public order, has been in force in 60 percent of the country since the beginning in 1980 of the "armed struggle" in Ayacucho, which has caused more than 26,000 deaths and extensive property damage.

More than 100 "suspicious people and illegal immigrants" were arrested in sudden and unexpected "raids" carried out by dozens of soldiers in four strategically located districts in Lima on 4 June. Numerous vehicles in the area were inspected, a police spokesman reported.

The Ventanilla, Surco, Barranco, and El Agustino Districts were "unexpectedly visited" by soldiers and policemen.

Venezuela

New Cabinet Appointed; Air Force Head Resigns

PA0706164893 Caracas Venezolana de Television Network in Spanish 1552 GMT 7 Jun 93

[Report by Cecilia Pachano from Miraflores Palace]

[Text] We report directly from Miraflores Palace that President Ramon J. Velasquez appointed (Francisco Lairise) to the post of Guyana development minister.

Alirio Parra, energy and mines minister, has been confirmed in his post. This appointment came along with a confirmation that there will be no increase in gasoline prices for the rest of the presidential term.

The ministers of development, labor, education, health and social welfare, and coordination and planning are about to be changed, but no names have been disclosed yet.

As everyone knows, [Family Minister] Teresa Albanez, [Culture Minister] Jose Antonio Abreu, [Defense Minister] Ivan Dario Jimenez, and Alirio Parra have been confirmed in their posts.

The appointment or confirmation of the defense minister will be in force until he retires next June.

Julio Cesar Rodriguez also visited Miraflores Palace on 7 June. He explained that he will not accept a cabinet position but will be part of the Consultative Council, particularly in the economic area.

The defense minister visited Miraflores Palace accompanied by General Eutimio Fuguet Borregales, who served as Air Force commander until now. Gen. Fuguet put his position at President Ramon J. Velasquez' disposal as an arrest warrant has been issued against Fuguet. Gen. Fuguet has been replaced by Gen. Frederick Yanes Mendez, who is the Air Force inspector general.

The defense minister said Gen. Eutimio Fuguet, after submitting himself to justice, will be confined at the Military Police Garrison. Other military officers involved in the case will also submit themselves to justice on the afternoon of 7 June and will be immediately replaced by individuals designated by the military High Command.

[Begin Defense Minister Jimenez recording] Gen. Fuguet came here with me to place his position at the president's disposal. He will submit himself to justice and will face the situation. He is accused of misuse of government funds. He said he is innocent and [words indistinct] has all the documents to clarify his situation. [end recording]

New Interior, Agriculture Ministers Appointed

PA0706174693 Caracas Venezolana de Television Network in Spanish 1555 GMT 7 Jun 93

[Text] After talking with President Velasquez at Miraflores Palace for one hour, former Supreme Electoral Tribunal president Carlos Delgado Chapellin agreed to become interior minister, replacing Dr. Jesus Carmona Borjas. In response to a question regarding the policies he will adopt, Delgado said his ministry will be as harmonious as possible to enable the country to approach the 6 December elections with a plan based on national unity.

[Begin Delgado recording] This government, because of its characteristics and the Interior Ministry specifically, will lead the country as harmoniously as possible to the December elections. Our policy is one of national unity,

peace, and coexistence among all sectors in the country. We are determined to achieve a climate of harmony and understanding among all Venezuelans without exception.

Among the ministry's obvious plans is to review the important services it provides. We must review these services, improve on them, and do everything humanly possible to improve our service to the community. My intention and that of President Velasquez' government is to make this transition period as fruitful as possible in the best interests of the Venezuelan people. [end recording]

A new minister has also been appointed to the Agriculture and Livestock Ministry. President Ramon Jose Velasquez summoned Agricultural Engineer Iran Gaviria, who after accepting the post said that although he will be in office for a short time, he will try to prove that with resolve and honesty things can get done in Venezuela.

[Begin Gaviria recording] President Velasquez has asked me to help his government by heading the Agriculture and Livestock Ministry. I believe this is a national time of difficulty but also of hope. In the short time I will be at the ministry and with the limitations of a government like the one Dr. Velasquez has received, I can prove that with resolve, honesty, and competency it is possible to do certain things in Venezuela.

President Velasquez has said that neither he nor his closest collaborators will work miracles. I say the same about the agricultural sector. To restore confidence and to step up agricultural and livestock production in Venezuela will take time. We must begin at once. I believe that something can be done and to this end I will give all my cooperation, spirit, selflessness, and sense of ethics to Venezuela in its time of need. [end recording]

* Japanese Investors Show 'Growing Interest'

93SM0264B Caracas EL DIARIO DE CARACAS in Spanish 29 Apr 93 p 13

[Article by Liliana Romo Gallegos]

[Text] "Japanese business owners have shown a growing interest in the Venezuelan economy during recent years, as is evident from the increase in direct investment occurring in the country." This was stressed by Perla Mossi, executive secretary of the Venezuelan-Japanese Chamber of Commerce, CAVEJA, which includes 130 business firms of Japanese origin and national companies associated with that country.

Between 1991 and 1992, Japan's direct investments in Venezuela amounted to $102 million, a figure slightly lower than the total cumulative Japanese investment from 1950 to 1958. During the latter period they had totaled $138 million.

Prominent among the Japanese firms that have made the largest investments recently are the Mitsubishi and Toyota automotive companies, which increased their capital by $9 million and $8 million, respectively. In the cement sector, Kobe Steel invested $8 million; while Mitsui invested $50 million in the petrochemical sector.

The level of financing granted by Eximbank [Export-Import Bank] of Japan to Venezuela amounts to $2.2 billion. It is intended to cover financing parallel with that of the International Monetary Fund, other financing of a cooperative nature with the World Bank, and financing for Venezuelan Petroleum, Inc., as well as the $510 million granted by the Japanese Government to the national government in 1991. Mossi remarked: "This underscores the interest in reinforcing binational relations, and the confidence that Japan has in Venezuela."

New Projects

But that is not all: many Japanese investors are studying new projects. They include the construction of a methanol plant in which Mitsubishi and Mitsubishi Kasei will participate with $45 million, as well as a second methanol plant with Mitsui participation in the same amount. There is also the LNG [liquified natural gas] project, to which Mitsubishi will commit an additional $100 million. Both Mitsubishi and Mitsui are interested in the development and quality testing of orimulsion, and plan to construct a plant for producing lubricants.

Japan is also participating in Venezuelan railroad development, while simultaneously conducting studies for the utilization and marketing of algae, a product in great demand on its domestic market. Moreover, there is growing interest in the nation's agricultural development. Japan has increased its purchases of national sesame seed and cacao. Mitsubishi, the most active Japanese investor in the country, is one of Lagoven's [a Petroven subsidiary] three partners in the Cristobal Colon project. The latter is intended to create a company for the extraction and liquefaction of natural gas on the Paria Peninsula, in Sucre State.

Waiting Period

Behind the long-range view which is typical of the Japanese, 1993 is a year in which businessmen are anxious to see the way in which the agitated national events will end, and waiting for the election results of 5 December. However, apart from this immediate situation, Japanese business owners are hoping that the policy of commercial openness that has begun will not retrogress. According to Perla Mossi, "If the same policy of the period now ending is continued, the commercial and financial relations between the two countries will be favorable and promising." This week saw the introduction of a new board of directors for CAVEJA, which was founded in 1950, but reactivated four years ago. The board consists of: Carlos R. Omana (Corpoven [a Petroven subsidiary]), chairman; Takeyoshi Watanabe (Marubeni Venezuela, Inc.), vice chairman; Saburo Tsutsumi (Japan External Trade Organization), treasurer; principal directors: Minoru Asakawa (Mitsubishi

Venozolana, Inc.); Yo Yanai (Mitsui de Venezuela, Inc.); Takashi Kawakami (NEC de Venezuela); Fumiyuki Nakano (Sumitomo Corporation of Venezuela, Inc.); Hernando de Castro (Autoagro Enterpreneurial Group); Jose Santiago Nunez (O.P.C.O.); Alfredo Beherens (Toyota of Venezuela); and Arturo Gantaume (Provincial Bank).

* Exports to Aladi Countries Increase in 1992

93SM0264A Caracas EL NACIONAL in Spanish 26 Apr 93 p D10

[Article by Adriana Cortes]

[Text] Venezuela's exports to the 10 countries in the South American region belonging to Aladi [Latin American Integration Association] increased 16 percent between 1991 and 1992, rising from $1.118 billion to $1.306 billion in value. Although this figure partially attests to the positive results of the integration processes, it is still quite far removed from optimal levels that would permit a greater flow of commercial exchange.

As for imports made by Venezuela of products from Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, and Uruguay, they too showed an increase of approximately 24 percent. In 1991 they stood at $1.309 billion and, last year, reached $1.708 billion.

All this converges in a negative balance of about $402 million for the nation, because the amount of money paid for products purchased by the country obviously exceeded that earned from sales of Venezuelan goods. During 1991 there was also a deficit in the balance, totaling $191 million.

This reverses the trend shown by the country up until 1990, when there was a positive balance of $343 million. This is explained by the fact that, at that time, exports were considerably larger (approximately $1.075 billion) than imports, which totaled only $732 million. The intrasubregional integration, with all its advantages, has obviously acted more to prompt Venezuela to increase its purchases of Latin American products than to sell its own. This may possibly be due to less exporting aggressiveness than shown by the other countries in the area.

Fifth Place

The statistics from the Latin American Integration Association show that countries like Brazil increased their exports approximately 57 percent in a year, with sales rising from $4.938 billion during 1991 to $7.628 billion at the close of 1992. Brazilian imports, on the other hand, totaled $3.826 billion less, a figure maintained since 1990, with rather a downward trend. Therefore, it was the only country in the region with a favorable trade balance, amounting to approximately $3.082 billion.

Brazil ranks in first place among the exporting countries in the subregion's interior, whereas the largest purchaser last year was Mexico. The latter imported $4.967 billion worth of goods, 80 percent more than its 1991 purchases.

Venezuela ranks fifth in the region, for both exports and imports.

Among all the Aladi member nations exports rose 17 percent, totaling nearly $19.368 billion, compared with $15.087 billion during 1991: a rate similar to that of the growth in imports.

* Commission Opposes Multilateral Border Talks

93SM0249C Caracas EL NACIONAL in Spanish 16 Apr 93 p A2

[Article by Mariela Briceno]

[Text] Venezuela, a defender of bilateral handling of frontier matters, has voiced its opposition to the establishment of a multilateral frontier commission on the Andean Pact level, while at the same time it believes that the Cartagena Agreement Board (JUNAC) should pursue studies on the impact the Cartagena Agreement decision will have on the borders.

These positions were revealed in a report drafted by Commissioner Omar Baralt for the Colombian-Venezuelan Presidential Commission on Frontier Affairs (COPAF), which EL NACIONAL has obtained.

The report calls attention to the new aspects of the relations among neighbors, in which three basic factors stand out. First, the protagonists in international relations have multiplied. Second, in order for nations to be neighbors, it is no longer necessary for them to have adjoining territories. And third, boundary lines are no longer the only scenarios for the issues involving neighbors.

However, the COPAF, always taking the process of Colombian-Venezuelan integration into account, believes that "the negotiations on strictly frontier issues should be kept on the bilateral level, and thus for the time being, the establishment of multilateral bodies to deal with these matters should be abandoned."

The idea of creating an Andean body to deal with frontier affairs has been proposed in various forms and meetings. It was also discussed at a meeting of the frontier authorities of the Andean nations held in Bogota at the end of last year.

"We believe that the administration of shared basins, cooperation in the health sector, and the facilitation of transit across borders are matters of a strictly bilateral nature. However, we assign special importance to the exchanges of experience initiated by the Andean nations on the various frontier procedures. This was what led us to propose to the JUNAC that further meetings like the meeting held in Bogota last October be convoked." This statement was made by Omar Baralt in the report presented recently at the meeting of the Andean Parliament held in the city of San Cristobal.

The COPAF also believes that "the real boundary situations for each pair of nations have special aspects that require due consideration and evaluation." It further warns that "the global decisions of the Cartagena Agreement have a direct effect on frontier development. For this reason, the JUNAC should incorporate studies of the specific regional impact its decisions may have in the analyses it undertakes prior to making decisions."

Taking the dynamics of economic integration on the frontiers into account, Baralt further emphasized that the process should favor the welfare of both peoples, which should be "the main goal of any political or economic program."

"This integration requires that the social structure on the frontiers be redesigned in order to adapt it to the new realities. And, in fact, the only way we can ensure that the frontier areas with a high level of contact benefit from the more open approach and integration is to work toward involving them in the production of goods and services that can be channeled through the subregional trade circuits," the text goes on to add.

This appeal for the strengthening of the frontiers within the process of implementing a more open economic policy is also based on the commission's beliefs about the agreements on the expansion of markets and the establishment of supranational bodies. "These agreements are the result of national initiatives and concepts, and they are not always consistent with the local interests and the traditional forms of social and economic action in the frontier areas."

* Fermin, Alfaro on Uninominal System

93SM0249B Caracas EL NACIONAL in Spanish 24 Apr 93 p D1

[Article by Rafael Nunez]

[Text] Presidential candidate Claudio Fermin and the leadership of the Democratic Action (AD), read Luis Alfaro Ucero and Lewis Perez Daboin, set forth different criteria regarding the uninominal system and some aspects of the regulations governing the selection of candidates for congressional seats during the extraordinary meeting of the CEN [National Executive Committee] held yesterday.

This became clear in the first action undertaken by that party's body. Fermin said that he has no intention of imposing the rules of the game, but he warned that he will not allow the regional leaders to be ignored when it comes to determining the final platforms and the electoral-district slates for the deliberative bodies, either.

Sources in the party said that one of the principal internal conflicts has to do precisely with this issue—the imposition by the national leadership of the individuals who will head the slates, regardless of the decisions made by the sections.

The situation in Caracas, where during a recent CDS [expansion not given], the CES [Sectional Executive Committee] approved Luis Emilio Rondon to head the slate of candidates for deputies' seats was cited as an example. A problem arose when Paulina Gamus was officially announced as the leader.

No One May Dictate

When first interviewed about the uninominal system, Fermin said he advocates the modernization of Venezuela, not only in terms of the administration, but in terms of perfecting democracy, as well.

He said that he is among those who are committed to going beyond the percentages agreed upon in the past, and he defined himself as a defender of this electoral system, but in absolute terms.

"I became a presidential candidate on 19 April when the parliamentary relationship between the majority parties, the COPEI [Social Christian Party], and the AD, had already been agreed upon. However, this will not prevent Claudio Fermin from continuing to struggle to perfect the electoral system, because no one has the right—neither you nor I—to impose a slate of candidates. We have the right to choose the exact individuals we want."

Prior Reform Needed

For his part, Luis Alfaro Ucero, the secretary general of the AD, who served as official spokesman at the meeting, taking the place of Luis Emilio Rondon, said that the CEN agenda called first of all for debate on, and approval of, the electoral regulation that will make it possible to consult the base levels at the CEIN [expansion not given] on the selection of the candidates for deputies' seats in both the national Congress and the legislative assemblies on a date to be announced in due time by the national leadership of the AD. The other purpose of the meeting was to approve Claudio Fermin as the candidate for the presidency.

The so-called AD "boss" explained that in accordance with the provisions of the nation's Constitution, it is impossible, from every point of view, to incorporate an absolute uninominal system in the Organic Suffrage Law. He explained that "prior amendment of the Constitution would be required."

In this connection, he added that the Caraballeda CDN [National Steering Committee] has already agreed to debate the 50-50 system in the parliament, and the CEN is therefore unable to amend such a resolution at this time.

Alfaro was asked if he did not believe that continuing to advocate this 50-50 system might lend itself to confusion at a time when the presidential candidate is asking for a full uninominal electoral system.

Alfaro responded as follows: "First of all, we are not opposed to a full uninominal system. We promise that if

next year the Congress deems it desirable to amend the Constitution so as to incorporate such a system, we will be prepared to accept it."

He was asked why this should not be done before December.

"Because it is not possible, on the basis of the National Constitution. The issue here is not the uninominal system, but the percentage to be used—whether it should be 40, 50, or 60. But this is not a uninominal system.

"If there is the political desire to incorporate a full uninominal system, I promise in advance that the party will not oppose it. Quite the contrary—we will support it," Alfaro Ucero noted.

The secretary general said that Claudio Fermin will be announced as the presidential candidate of the AD on Friday of next week at what he said would be a brief ceremony.

Ucero's Triumph

Alfaro Ucero was asked about the alleged defeat dealt the "summitocracy" in the internal process. The secretary general said that he regards himself as the winner because in addition to the fact that he was chosen as a candidate, no incident hindered the process, for the first time in the history of the AD.

And he said that the results show that despite the fact that the worst possible date was chosen for the electoral process, about 600,000 party members voted. This is regarded as a total victory for the party, which waged a campaign to remind the base levels of the AD of their responsibility to the party for only three days prior to the event.

It was also learned yesterday that Alfaro Ucero and Lewis Perez, the secretary of the organization, convoked an extraordinary meeting of the secretariat at the Santa Fe Suite Garden Hotel last Wednesday. The purpose of the meeting was to approve a document supporting their proposals, and to reach agreement, prior to the CEN, on the so-called regulation governing the selection of the candidates for the deliberative bodies.

* Liberation Theologian Views Role of Bishops

93SM0249A Caracas EL DIARIO DE CARACAS in Spanish 14 Apr 93 p 56

[Interview with Jesuit priest Arturo Sosa by Felipe Saldivia; place and date not given]

[Text] Arturo Sosa, Jr., a Jesuit priest, is the director of the Gumilla Center. Coming from a bourgeois background, he developed the theology of liberation in Venezuela. He has not lost heart. He continues his work with the periodical SIC, which is among the most widely read in the country. "It is read, and read carefully." He sets no time limit on the fruits of his difficult task, in which he has been joined by new followers and older ones willing to make the people the focus of their own transformation.

[Saldivia] It has been 55 years since the periodical SIC was established, and 25 years have passed since the founding of the Gumilla Center. Today, however, many people believe the theology of liberation has failed. What is your view of this?

[Sosa] I believe that precisely the opposite is true. The theology of liberation is just now being born. Suddenly, the headlines in the press have disappeared. Not only has the sad reality on which the theology of liberation is based not improved, but it has, in fact, deteriorated. The theology of liberation made news because it was attacked as representing Marxist and communist infiltration in the church. A discussion developed, which in my opinion was like the foam on a glass of beer; it subsided and left the beer calm. The verity on which the theology of liberation is based, on the other hand, is the experience of Christians in their commitment to transform the reality in Latin America, and this has not collapsed. There has been a failure in the sense that the transformation has not occurred, but the movement as such is becoming more solid with every passing day, not only in Latin America in general, but also in Venezuela, in particular. Nowadays this movement, which came into life as a part of the church, has been incorporated by the church in practically all of the Latin American countries. The positions adopted by the Venezuelan bishops in these past two years, that of the bishops in Santo Domingo, and that just recently adopted by the assembly of the Latin American Episcopal Council, are evidence of this.

[Saldivia] In your opinion, then, Monsignor Jose Ali Lebrun is a supporter of the theology of liberation.

[Sosa] Monsignor Lebrun not only supports it, but has even promoted some aspects.

[Saldivia] Monsignor Lebrun has promoted the theology of liberation?

[Sosa] He has done so in the sense that he has not only been tolerant, but has also encouraged all those who have taken up the popular work here in Caracas. It all depends on what one means by the theology of liberation. If it means a kind of catechism, or questions—for example: Do you believe in a certain kind of revolution? Do you believe in a certain method of work?—that is not the theology of liberation. The theology of liberation is basically the experience of Christian life in the world of the people. In this sense, it has many levels. There are groups of people who are organized in Christian communities and who reflect upon the reality they experience. There are theologians who formalize this contemplation on a theological level. There are people, and Monsignor Lebrun may be one of them, who do not live in slums but nonetheless encourage the pastoral work of the Diocese of Caracas in that direction. Monsignor Lebrun is not an individual indifferent to this experience.

[Saldivia] Do you believe that Monsignor Lebrun has moved ahead in this direction? Because five years ago, you said that he was not against you, but that he also did nothing to help you.

[Sosa] He has changed. Five years ago, the Venezuelan Episcopal Conference had not adopted the positions it now has. I would call it a social repositioning by the church. This has been a very slow process, and it is much more evident now than it was five years ago. I do not imagine that Monsignor Lebrun would feel very comfortable with my calling him a theologian of liberation, but neither is he an enemy of this process, nor does his vision exclude communication between the church and the people. In this respect, the church of today has adopted a new social position in Venezuela. In the 1960's, the church was closely affiliated with the sectors of society that advocated the model that we now see being abandoned. Today that same church speaks with a much louder voice, and is linked with the people.

[Saldivia] What model is being abandoned?

[Sosa] The populist party model. The church was in a way a party to this, because a number of things were achieved in the negotiations carried out in the 1960's. The independence of the state was achieved through the abolition of the Trusteeship and Modus Vivendi Laws. A certain economy was established that allowed the state to grow, and also the regime used the presence of the church to further legitimize itself.

[Saldivia] Ironically, then, Carlos Andres Perez contributed to the propagation of the theology of liberation?

[Sosa] This is one of the ironies of history. To the extent that the church has felt closer to and more fully supported by the people themselves, while a crisis was developing in the rest of the system, with regard to its legitimacy, this might be true. But he (Perez) cannot be called a theologian of liberation.

[Saldivia] Of the approximately 230 Jesuit priests in the country, only 40 made a commitment to work in the poor quarters initially, and of these, about 15 not only left the slums, but abandoned the priesthood and their congregations as well, because of frustration. And that is from 1970 up to the present.

[Sosa] Let us assume that these figures are correct, since I do not remember, and also, one would have to look into whether this was the motivation. In any case, we will assume the figures to be correct. This phenomenon is an entirely normal one. When there is a new type of pastoral activity, as going into the slums was, the first reaction is resistance by the institution and by other sectors. And in this effort to make progress in opening up this path, some people are not strong. They become frustrated and they leave and turn to something else. And there are people who are not Jesuits who do the same thing. To some people, it seemed that the structure of the Society of Jesus does not allow a truly deep commitment, such as they thought should be made, and so they left it but continued to work, in some cases even more radically. In other instances, the individuals remained frustrated.

[Saldivia] Might it not be that these individuals never saw any results produced by the method of liberation theology, which called for going into the poorer quarters to persuade the people that this was the form of struggle needed to put poverty behind them?

[Sosa] It is very difficult to know, because almost every case is unique. What I would like to say about this is that the Jesuits do not represent the spearhead of the theology of liberation movement in Venezuela, viewed as a commitment to the popular sectors. Both in terms of numbers and, perhaps, their radical approach, the nuns are far ahead of the Jesuits. Some congregations have focused almost all of their attention on the slum sectors. The sisters in La Vega have been working in that neighborhood for 25 years.

[Saldivia] And have they helped anyone put poverty behind him—presumably the final goal of the methodology of the theology of liberation?

[Sosa] That is not precisely the issue, because the idea is not to bring the people out of poverty, but to contribute to the ability of the people to bring about their own liberation. And that is a much slower process.

[Saldivia] How long will it take?

[Sosa] Who knows? No deadline can be set. What I can say is that 15 years ago, there were practically no organizations of the people in Venezuela, while today there are hundreds of popular organizations with years of work behind them. Is there less poverty? No, there is more. But this is not the fault of the church, nor of the theology of liberation. Rather, it is due to other factors.

[Saldivia] With regard to the role played by laymen, there have been instances of clashes with the Jesuits, who are rather resistant when it comes to accepting new members in order to expand the organizations. This has happened with some of the cooperatives. Was this because the Jesuits had lost control of the process?

[Sosa] You are speaking of the Barquisimeto case. There was a conflict of ideas there with regard to how the growth of the cooperative movement should be developed. There was a clash, and it seems to me that this was a very good thing. No social movement can develop without conflict, and all of us learned from this one. The buses stopped running, but the popular market fairs continued to be held. That is the process—the way in which together, we are finding the path leading to the achievement of this transformation of which the focus is the people. As the movement continues to grow, there will be more clashes, and even conflicts of interest. This is a part of the process.

[Saldivia] This argument—a "part of the process"—has been utilized by the president of the Republic, who has said that what is happening today is a part of the process of achieving a more stable economy in Venezuela.

[Sosa] The president of the Republic speaks of a "turn," of a change in direction. We have been speaking about a turn for a long time, but in a different direction.

[Saldivia] I am referring to the explanation given—this is the path, it is said, but the marvel will not come until the end.

[Sosa] We do not say that the marvel comes at the end. In my view, the proper criterion for comparing one thing to another has to do with who the protagonists in the process are. The protagonists in the so-called democratic process in Venezuela have been those at the top party levels, and the turn of which Perez speaks involves no change there. It would change the economic scenario, the method of domination, but the people involved would continue to be those at the top. What we propose is to change the protagonists. This is much more difficult to bring about than a change in economic direction. Naturally, in drafting an economic policy, this group will not do the same things as the elite would.

[Saldivia] What is the reason the evangelical churches have had so much success, as compared to that achieved by the theology of liberation, in taking the people out of their impoverished environment?

[Sosa] There are non-Catholic churches, evangelical Christian churches, such as the Presbyterian and some Anglican churches, which have pursued a process rather similar to that of the Catholic Church in moving closer to the poor sectors. And there is another problem, known as the sectarian issue—in other words, the fact that some churches are evangelical, which is a different thing. These are the small groups that engage in a great deal more proselytizing and propagandizing themselves. Many of them are financed from abroad, and their success is easy to understand, because they pursue the same line as the system. They preach a religion of consolation. "We are poor now, but in heaven we will be happy." In this regard, they get more help from the dominant culture. I do not believe this represents success. On the contrary, it creates an obstacle to progress along the path.

[Saldivia] They regard it as success.

[Sosa] From this point of view, then, the soap commercials on television would of course be judged more successful than the theology of liberation.

[Saldivia] No, because presumably the evangelical church members are not advocates of the theology of liberation.

[Sosa] There are indeed some evangelical Christians who are liberation theologians. The popular experience also has expressions that are not Catholic. There are evangelical Christian churches that have pursued this path.

[Saldivia] I am referring to the people who drive cars, for example, displaying decals on which the phrase "I love Jesus" and a little heart are printed. Are they liberation theologians?

[Sosa] No.

[Saldivia] But there are so many of these people.

[Sosa] There are also many Catholics who have crucifixes in their cars, but they are not theologians of liberation, either. There are Catholic movements that are opposed to the theology of liberation. There are people who think that this is not right, who continue to think that what the church must do is to see that all of us in the middle class, the thinkers, the professionals, and the wealthy, provide help to the poor people, who are not, in their view, really people. Such individuals regard the impoverished not as brothers, but as a different class—the indigent poor.

[Saldivia] How do you see the final resolution of the Bank of Venezuela case?

[Sosa] I am not familiar with the details of the resolution. But those people are all alligators inhabiting the same swamp.